

Alaska Housing Market Indicators

Fall 1999

July - December 1999

Prepared by

Alaska Housing Finance Corporation

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3. Rural Perspectives: AHFC Small Building Material Loan Program
By Grant Shimanek Spring 1996
4. Affordable Housing: Need and Economic Impact
By Miguel Barragan Fall 1996
5. Affordable Rental Housing Development: Highlight on AHFC's GOAL Program
By Jeff Judd Spring 1997
6. The Alaska Housing Finance Corporation: Benefiting Alaska through Sound
Financial Investment
By James Wiedle Fall 1997
7. Looking Toward 2000: Future Trends in the Housing Industry
By James Wiedle Spring 1998
8. Log Home Construction: Using a Local Resource in Building
By Mimi Burbage Fall 1998
9. AHFC Makes Changes to Two Popular Loan Programs
By James Wiedle Spring 1999
10. A Guide to AHFC's Web Site: A Valuable Housing Resource
By Sherrie Simmonds Fall 1999

Methodology

Starting with the 1st quarter of 1999, several changes have been made to the Quarterly Survey of Alaska Lenders and the AHFC Residential Loan Portfolio. What follows is a description of the changes:

- Refinanced Loans - The lender survey now represents new home loans only. AHFC's refinanced loans are now detailed separately in the AHFC portfolio section.
- Fannie Mae Loan Activity - Fannie Mae data are now reported separately for single family and condominium loan activity.
- Duplicate Loan Activity - Data from AHFC and Fannie Mae are matched to primary lenders to avoid double counting loans originated on the primary mortgage market but sold to the secondary mortgage market.

Please note that the Lender's Survey is contingent upon lender participation. While all efforts are made to encourage consistent participation, new lenders may occasionally be added which may modestly overstate changes in lending activity.

In Section Two of the Alaska Housing Market Indicators, statistics on AHFC's rural loan program are presented. According to AHFC, a community is considered rural if it meets the definition of a small community:

"A community with a population of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks, or a population of 1,600 or less that is connected by road or rail to Anchorage or Fairbanks and at least 50 statute miles outside of Anchorage or 25 statute miles outside of Fairbanks. In this definition, "connected by road" does not include a connection by the Alaska Marine Highway."

Editor's Note

The Alaska housing market turned out a strong performance in 1999, with loan volume activity exceeding that of 1998. As we enter the year 2000, the market remains stable, but concerns exist over rising interest rates and a shrinking supply of homes for sale. The Alaskan economy, though strong, is also facing several "unknowns," including the consolidation of the oil-patch and recovery from a disappointing commercial fish harvest. These factors will certainly challenge the housing market next year.

Have you checked out the Alaska Housing Finance Corporation's web site? Not only does the site have information on the Alaska Housing Market Indicators, but it also has data on loan programs, home construction, grants, and interest rates. In this edition of the Alaska Housing Market Indicators we take a look at the Alaska Housing Finance Corporation's Web Site and the many resources contained within.

We are constantly striving to make the Alaska Housing Market Indicators a publication that is useful to you. Whether you are a home buyer, tax assessor, public official, or Realtor, we value your input. If you have any ideas or suggestions, feel free to contact us. Please direct your correspondence to:

James Wiedle, Editor, Alaska Housing Market Indicators

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Data Release Schedule

For updated data release dates, check our Internet web site: http://www.ahfc.state.ak.us/Download/Download_Main_page.htm. For any questions, call, write, or e-mail the editor (see previous page for addresses and phone numbers).

AHFC Quarterly Residential Portfolio/New Alaska Housing Units

- 2000 Third Quarter 80 days after quarter ends - Tuesday, December 19, 2000
- 2000 Fourth Quarter 80 days after quarter ends - Monday, March 20, 2001
- 2001 First Quarter 80 days after quarter ends - Monday, June 19, 2001
- 2001 Second Quarter 80 days after quarter ends - Monday, September 18, 2001

Multiple Listing Service Data

- 2000 Third Quarter 80 days after quarter ends - Tuesday, December 19, 2000
- 2000 Fourth Quarter 80 days after quarter ends - Monday, March 20, 2001
- 2001 First Quarter 80 days after quarter ends - Monday, June 19, 2001
- 2001 Second Quarter 80 days after quarter ends - Monday, September 18, 2001

Quarterly Survey of Alaska Lenders

- 2000 Third Quarter 80 days after quarter ends - Tuesday, December 19, 2000
- 2000 Fourth Quarter 80 days after quarter ends - Monday, March 20, 2001
- 2001 First Quarter 80 days after quarter ends - Monday, June 19, 2001
- 2001 Second Quarter 80 days after quarter ends - Monday, September 18, 2001

Annual Rental Market Survey

- 2000 First Quarter 90 Days after quarter ends - Thursday, June 29, 2000

Annual Construction Cost Survey

- 2001 First Quarter 90 Days after quarter ends - Thursday, June 29, 2001

Acknowledgment

We wish to thank the primary and secondary mortgage lenders listed below for responding to our quarterly survey of mortgage loan activity and for their willingness to continue to participate in future surveys. The list includes the major government and private providers of mortgage funds in Alaska. Some of the participants are primary mortgage lenders. That means they originate loans to keep in their own portfolios or sell to participants in the secondary mortgage market. Institutions such as Alaska Housing Finance Corporation and Fannie Mae operate in the secondary mortgage market, purchasing mortgages originated by primary lenders. Secondary mortgage activity is an important source of liquidity for mortgage lending. Although primary lenders and secondary purchasers differ, both provide financing for Alaskans to buy homes. For the purposes of this report, maintaining the distinction is not particularly important. Therefore, occasionally, there will be a reference to “lenders” or to “other lenders,” some of which are primary lenders and some secondary purchasers. Unless the difference is critical to the discussion, no distinctions are made.

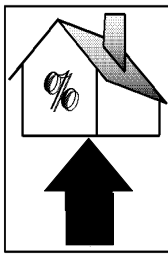
Alaska Home Mortgage
Alaska Pacific Bank
Alaska USA Federal Credit Union
City Mortgage
Denali State Bank
Federal National Mortgage Association
First Bank of Ketchikan
First National Bank of Anchorage
Freedom Mortgage
Greatland Mortgage
Homestate Mortgage
Key Bank of Alaska
McKinley Mortgage
Mt. McKinley Mutual Savings Bank
National Bank of Alaska
Peninsula Mortgage
Premier Mortgage
Residential Mortgage
Rural Development (formerly USDA Farmers Home Administration)
Vista Mortgage

Executive Summary

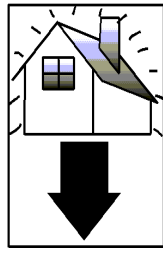
Housing Market Indicators

July - December, 1999

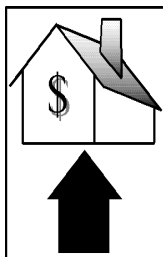
Compared with July - December, 1998



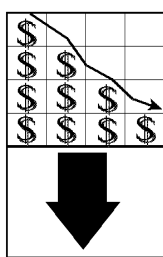
Mortgage Loan
Rates



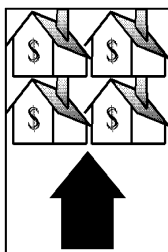
New Housing
Units
Authorized



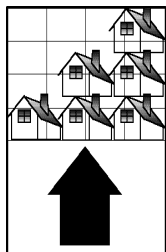
Home Prices



Wage and Salary
Income



Dollar Volume
of Loans



Affordability
Index

The housing market remained strong in 1999, with total sales volume exceeding \$1.5 billion. Lenders reported financing over 10,000 loans in Alaska, 8% higher than 1998. Rising interest rates, however, placed a damper on an otherwise impressive market. Loan activity dropped 15% from the 3rd to the 4th quarter.

Statewide, the average interest rate for all residences, weighted by dollar loan volume, climbed from 6.64% in the second half of 1998 to 7.20% in the second half of 1999. AHFC programs offered the lowest overall rates to home buyers during the second half of 1999, at an average of 6.28%. AHFC rates are typically lower than average due to the special tax-exempt programs it offers to potential home buyers.

The average sales price for a single-family home in Alaska continues to rise, but is beginning to show signs of slowing. Compared to 1998, the average sales price of a home in 1999 rose 2.5% to \$166,396 -- a slower rate of growth than from 1997 to 1998 when the price grew 5.5%. Regionally, Juneau reported the highest sales price at \$205,672, while the Mat-Su Valley reported the lowest at \$138,974.

Alaska's average monthly wage continues to drop. Average monthly wage income dropped an incremental .9% to \$2,767 in 1999. In the second half of 1999, wages dropped \$41 dollars from the same period in 1998. Alaska employment growth averaged just under 1.0% in 1999, but is expected to rise to 1.5% as service and construction industries add new jobs.

Recent data released by the Department of Commerce reports that Alaska ranked 34th in per-capita income in 1999. The per-capita income of \$28,523 represents an increase of \$688 over 1998 - the smallest percentage increase of all the states.

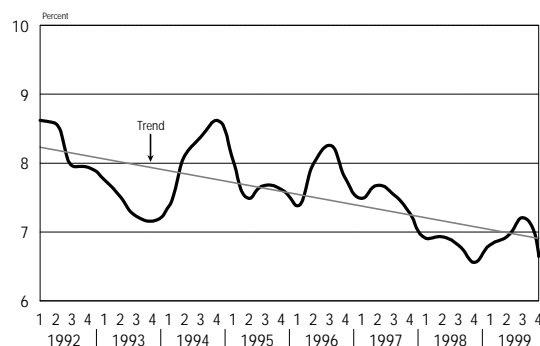
The Affordability Index hovered around 1.41 throughout the year, representing a marginal 1% increase over 1998. Homes were most affordable in Anchorage with an index value of 1.38. However, the number of Anchorage wage-earners necessary to purchase a home in the Mat-Su Valley was even less at 1.11. Home purchases in the Valley continue to be attractive to Anchorage residents because of this factor.

Total loan volume reported by lenders in 1999 was \$1.4 billion, up \$128 million from 1998. Much of this increase was due to the addition of two new lenders to the Lender's Survey in 1999. Total number of loans in 1999 exceeded 10,000. Single-family loans continue to dominate most markets; however, the total number of condo loans grew over 26% from 1998. The bulk of condo sales occurred in Anchorage.

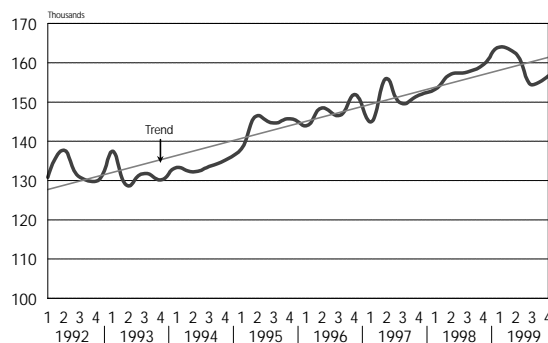
The Multiple Listing Service (MLS) recorded an increase in activity in the Municipality of Anchorage, while all other reporting areas remained flat. MLS reported that the average sales price of a condominium doubled in value from \$41,715 in 1990 to \$95,317 in 1999.

Permitting activity continues to decline. According to the recent statewide permitting survey, total permits dropped 12% from 1998. The greatest loss in permits was recorded for single-family units which dropped 15%. Multi-family activity remains stable, with Anchorage recording the largest number of multi-family permits.

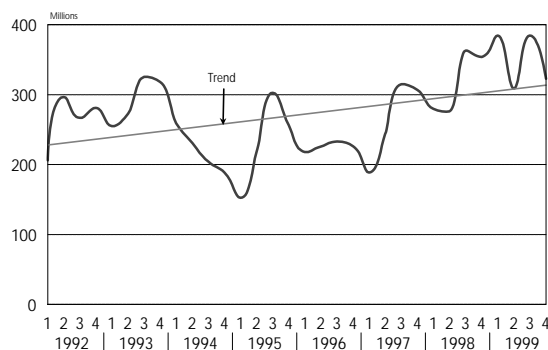
Interest Rates



Average Sales Price

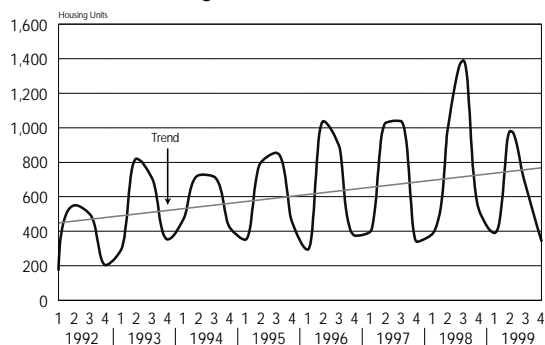


Dollar Volume of Loans

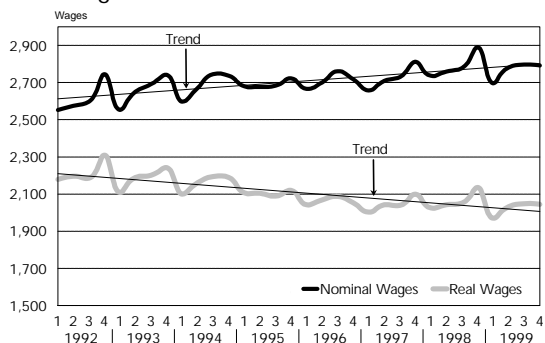


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

New Housing Units

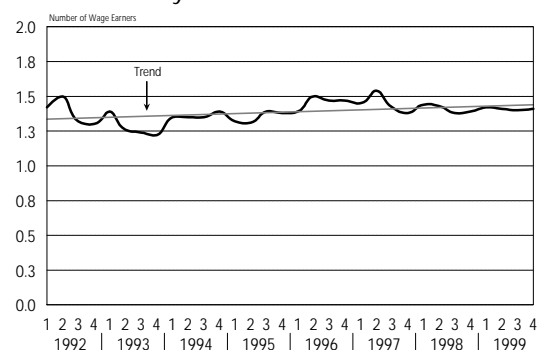


Wages



Note: "Real Wages" are wages that are adjusted for the Consumer Price Index - A Measure of Inflation

Affordability Index



Note: The **Affordability Index** is the number of earners needed to qualify for an 85% mortgage. Contrary to other common indexes, this one decreases when affordability improves and increases when affordability declines. Therefore, a **smaller affordability index or a decrease is always more favorable to buyers.**

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Alaska suppliers reported increases in the cost of supplying building products to most areas of the state, according to the 2000 Construction Cost Survey. Building material-cost increases ranged from 2% in Bethel to 27% in the Kenai Peninsula. Most increases in cost appear related to a strong surge in new single-family construction over the last three years. Over 8,000 permits were issued in 1997 and 1999.

Cautious optimism prevails as we move into a new year. The economic picture is generally stable, and economists are forecasting moderate growth throughout 2000. However, concerns exist over consolidation of the oil patch and the fishing industry's recovery from a poor fishing harvest.

Most housing experts are predicting a relatively stable housing market throughout 2000. Primary areas of concern include interest rates and decreasing housing stock. Uncertainties exist about the current state of interest rates. With the Federal Reserve Bank hinting at future interest rate hikes, 8.5-9.0% interest rates may be ahead. Also, decreasing land availability and a shrinking supply of homes for sale may dampen the performance of the market.

Whatever happens in 2000, you'll find the most current and up-to-date information on the Alaska housing market on AHFC's web site. Interested in learning how to access the site? This month's feature article provides highlights.

AHFC is a self-supporting public corporation, which provides financing for multi-family complexes, congregate facilities, and single-family homes, with special loan programs for low- and moderate-income borrowers, veterans, and those living in rural areas of the state. AHFC contributes more than \$100 million annually to Alaska's state revenues through cash transfers, capital projects and debt-service payments.

A Guide to AHFC's Web Site: A Valuable Housing Resource

Contributed By Sherrie Simmonds

Sherrie Simmonds is the corporate communications officer for Alaska Housing Finance Corporation. She has extensive experience in public relations and media communications.

Recently, in a comprehensive review of state housing agency's web sites, the MuniNet Guide and Review gave the Alaska Housing Finance Corporation's web site a "four-star rating." According to the Review, "This site has it all: a wealth of information, an easy-to-use design, and frequent updates." The article went on to state that the site "... offers access to most of the information anyone could want about how the organization achieves its aims. Not only are programs and their requirements listed and explained, but the site also includes helpful resources for Alaskan homeowners in general."

The Alaska Housing Finance Corporation debuted “www.ahfc.state.ak.us” in 1996. Since that time, the site has grown to incorporate a wide array of resources and information. For many professionals and consumers, the site serves as a one-stop source for interest rates, mortgage programs, and community-development documents. The corporation is committed to providing Alaskans with a useful web site, and numerous enhancements are planned over the next year to improve efficiency and access.

While the number of visitors to the site continues to grow, many are not aware of the diversity of materials available. Aside from the traditional real estate items, the user can also access documents such as the “Alaska Log Building Construction Guide” and the “Guide to Affordable Housing Development.” And while many users know that such items are available on the site, they may not be sure exactly where to find them. What follows is an overview of the corporation’s web site - designed to guide the user to many of the resources AHFC has made available electronically.

Getting Started

Figure A-1

The Alaska Housing Finance Corporation’s web site can be accessed at “www.ahfc.state.ak.us.” Once selected, the user will be presented with AHFC’s home page. The graphical banner of the default opening screen presents a variety of options for the user (See Figure A-1 for an illustration.) These options include links to:

- **AHFC Overview** - Materials about the corporation, including organizational structure; board of directors; a Quick Reference to contacts within the corporation; annual reports; and office locations, phone numbers, and fax numbers
- **Grants** - Summaries of the grants presently available through AHFC
- **Loan Programs** - Summaries and general qualifications for all the multi-family and single-family loan programs AHFC offers
- **Download** - Information about grant programs for housing and housing-related services, housing market research, state housing policy, and other downloadable data

The bottom of the opening screen displays links to additional topical subjects including Interest Rates, updated daily; Glossary, a list of acronyms and housing terms; Servicer/Seller memorandums; and Employment Opportunities, job openings in the corporation.

Figure A-1

Note: The address for AHFC's Web Site is "www.ahfc.state.ak.us." The page can also be accessed via the State of Alaska's Web Site under "Department Links."

Source: Alaska Housing Finance Corporation, Corporate Communications, 1999.



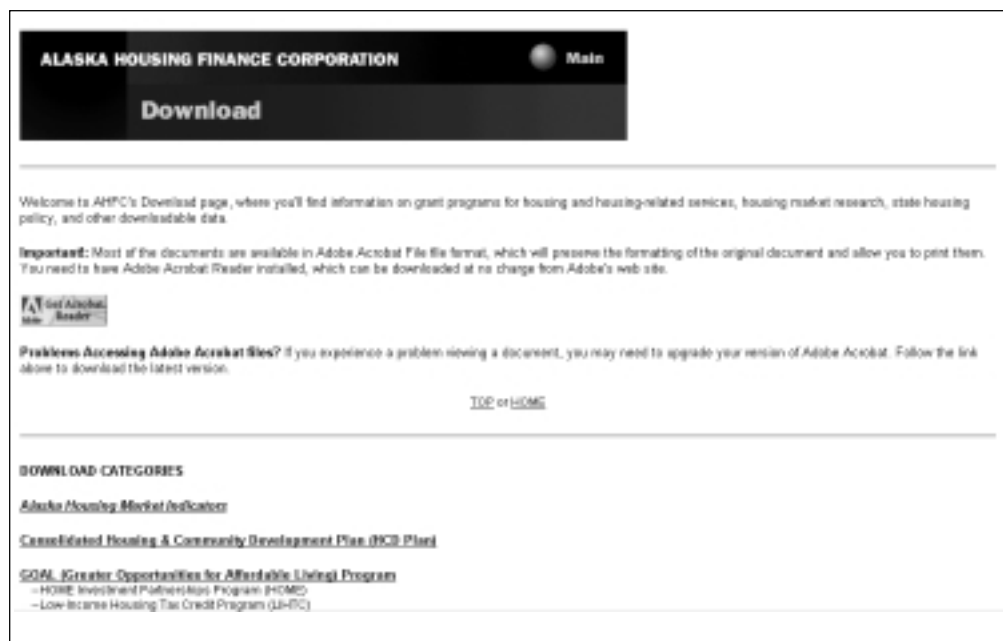
"I Heard there was some Money Available."

Figure A-1

Last year, AHFC awarded \$7.5 million in 37 competitive grants for housing-related programs. When money to fund a particular grant becomes available, AHFC issues a Notice of Funding Availability (NOFA) for qualifying applicants to apply for the funds. Each NOFA is advertised on AHFC's web site and can be accessed from the home page under Public Notices, or Grants, then Public Notices.

AHFC awards dozens of contracts annually, from million-dollar construction contracts to painting, siding, and roof repairs; and from financial advisor services to open-ended contracts for business cards, paint or appliances.

All public notices, including Invitations to Bid, Requests for Proposals, and Public Hearings are published on our web site. Just click on Public Notices from the home page.



Note: To view the materials available through the "Download" page Adobe's free Acrobat Reader is required. It can be downloaded at Adobe's web site - www.adobe.com.

Source: Alaska Housing Finance Corporation, Corporation Communications, 1999.

"What's Going on with the Housing Market?"

Figure A-2

The Alaska Housing Finance Corporation produces numerous publications about the housing in Alaska. Many of these are available through the Download section on the corporation's web site.

Examples of documents available include previous publications of the Alaska Housing Market Indicators, the State of Alaska Consolidated Housing and Community Development Plan, Workbook on Evaluating Local Housing Needs in Alaska, and the AHFC Annual Service Provider's Homeless Survey.

Quarterly data are also available on permitting. The Quarterly Survey of Lenders and the Survey of New Alaska Housing Units are available here, as well as all other data reported in the Alaska Housing Market Indicators. In addition to housing market data, the Download section includes information and application materials for AHFC's award-winning GOAL program, a competitive program for grants, loans, and tax credits to facilitate the development of affordable rental housing.

Figure A-3

Source: Alaska Housing Finance Corporation, Corporation Communications, 1999.



“Where Can I Get Information on Housing Construction and Energy Conservation?”

Figure A-3

Whether you're building a new home or just improving the energy-efficiency of your current home, AHFC can help you through the process. Whether it's a log home or a 5*+ executive home, you can locate our energy-rating software, AkWarm; or even find links to energy-efficient home plans.

Click on Energy or Construction from the home page, and you'll find links to a variety of topics, including AHFC's loan programs for energy efficiency or home improvements; construction manuals, such as the Alaska Housing Manual 4th Edition, and the Alaska Log Building Construction Guide; information about AHFC's low-income weatherization program, along with weatherization providers by community; and free construction workshops.

What's New

AHFC's Web Site

Fall 1999

Figure A-4



Note: Information on interest rates and grants can also be accessed through the home web page screen by selecting the links titled "Interest Rates" or "Grants." Items where the information changes frequently (interest rates, classes, public notices, news releases) can be accessed from What's New. Many of these also have links on the home page.

Source: Alaska Housing Finance Corporation, Corporation Communications, 1999.

AHFC's Research Information Center (RIC) provides access to information resources on northern building, innovative housing construction, energy efficiency, renewable energy, and sustainable technology. Just click on the RIC Library link.

The RIC Library Catalog link takes you to the online catalog of books, fact sheets, videos, reports, catalogs and other resources, which can be searched by keyword, title, expert, author, or subject. Materials can be checked out free of charge and may be mailed to any Alaska location upon e-mail or telephone request.

When you click on RIC Links from RIC Library or Hot Links, you'll find links to numerous web-site resources, including Code Check, with information on building codes across the country; Residential Energy Efficiency Database, a guide to residential energy efficiency, including house plans; and the U.S. Consumer Gateway: Your Home, a one-stop link to a broad range of online federal information resources.

"Is There Other Information On AHFC's Web Site?"

Figure A-4

Actually, you've seen just the tip of the iceberg, and we can't mention everything available on AHFC's web site in this brief overview. But there are a couple of other things we do want to highlight. The Finance link provides financial data and bond information, and the Public Housing link includes summaries of AHFC's rental assistance programs, income limits, and the Family Self-Sufficiency Program.

If you click on Hot Links from the home page, you'll find a variety of links to other housing-related web sites for state and federal government, mortgage calculators, housing authorities, rental housing, and investing in bonds.

AHFC offers a variety of free classes, including those for someone planning to buy or build a home; for builders, Realtors, or lenders; and for non-profit and for-profit developers. A schedule of upcoming classes can be found by clicking on Workshops and Conferences from the home page.

The What's New link on the home page provides easy access to many of the links that are updated frequently, including News Releases, Board of Directors Meetings, Proposed Offerings, Interest Rates, Public Notices, REOs, and Workshops and Conferences.

And if you still can't find what you're looking for, AHFC's web site also includes a Table of Contents and a Search feature, both accessible from the home page.



Section 1

Results of the Quarterly Survey of Alaska Lenders

Housing Market Feels Impact of Rising Interest Rates

Alaska's housing market hit a six-year peak for loan volume and total number of loans in the first quarter of 1999. By the 2nd half of 1999, however, interest rates began to creep up, exceeding 8.0% by the end of the year. Home buyers, facing decreased affordability, purchased fewer homes, and loan activity cooled in the 4th quarter by 15% from the 3rd quarter.

New Lenders Push Total Loan Activity Upward in an Otherwise Slowing Market

Tables 1-1, 1-2

Compared to 1998, total loan activity increased by \$128 million. The bulk of this increase, however, was due to the addition of two new participants in the Lender's Survey in the first quarter of 1999. Excluding new participants, loan activity dropped \$173 million, or 14%.

When examining quarterly sales activity in 1999, total sales volume peaked in the 1st quarter, \$447 million. Sales activity showed a pronounced drop in the second quarter, but rose again in the 3rd quarter as rising interest rates spurred buyers to snap up more affordable homes. However, by the fourth quarter, rising interest rates drove loan volume down 15%.

- Lenders reported a total of 10,064 loans in 1999, with a total volume of \$1.4 billion. Eighty percent of the loans were reported from previous Lender's Survey participants.
- Compared to the first half of 1999, total loan activity rose from \$694 million to \$707 million.
- The bulk of single-family loan-volume activity occurred in Fairbanks (10.3%) and Anchorage (54.9%).
- The Rest of State category had the largest percentage increase in regional loan volume, 20%. These increases were explained largely by the addition of two new lenders to the survey in 1999.

Single-Family Loan Activity Summary

Including AHFC, Selected Areas

2nd Half 1999

Table 1-1

Location	Number of Loans	Average Loan	Total Loans	% Loan Volume	Average Sales Price	Total Sales Price	% Total Sales Value
Anchorage	2,351	152,301	\$ 358,059,582	54.2%	\$170,421	\$400,660,247	53.2%
Mat-Su	598	117,211	70,092,326	10.6%	132,874	79,458,909	10.6%
Fairbanks	573	129,974	74,475,349	11.3%	148,635	85,167,916	11.3%
Kenai	388	124,285	48,222,606	7.3%	151,074	58,616,760	7.8%
Juneau	182	174,841	31,820,977	4.8%	209,157	38,066,559	5.1%
Ketchikan	74	161,405	11,944,002	1.8%	187,326	13,862,147	1.8%
Kodiak	106	156,952	16,636,959	2.5%	185,487	19,661,662	2.6%
Rest of State	346	144,235	49,905,257	7.5%	165,920	57,408,395	7.6%
Statewide Total	4,618	143,170	\$ 661,157,058	100.0%	\$163,037	\$752,902,595	100.0%

Note: Based on survey of 14 private and public mortgage lenders.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Condominium Loan Activity Summary

Including AHFC, Selected Areas

Table 1-2

2nd Half 1999

Note: Based on survey of 14 private and public mortgage lenders.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Location	Number of Loans	Average Loan	Total Loans	% Loan Volume	Average Sales Price	Total Sales Price	% Total Sales Value
Anchorage	461	83,951	\$ 38,701,579	83.8%	\$ 91,507	\$ 42,184,841	83.1%
Mat-Su	4	95,092	380,367	0.8%	95,875	383,500	0.8%
Fairbanks	27	73,272	1,978,352	4.3%	88,795	2,397,458	4.7%
Kenai	2	92,850	185,699	0.4%	95,350	190,700	0.4%
Juneau	42	92,981	3,905,188	8.5%	101,928	4,280,969	8.4%
Ketchikan	5	58,957	294,785	0.6%	83,893	419,463	0.8%
Kodiak	2	80,750	161,500	0.3%	101,500	203,000	0.4%
Rest of State	10	60,121	601,211	1.3%	73,441	734,413	1.4%
Statewide Total	553	83,560	\$ 46,208,681	100.0%	\$ 91,852	\$ 50,794,344	100.0%

Condo and Single-Family Sales Prices Marginally Up from 1998

Figure 1-1

Single-family home sales prices continue to rise. In 1999 the average sales price of a home was \$166,396, 2.5% higher than 1998. However, in the second half of 1999, the average sales price of a single-family home had dropped from \$169,884 to \$163,037. Average condominium sales price also dropped from \$98,569 in the first half of 1999 to \$91,850. Rising interest rates and a decreasing supply of homes for sale contributed to the drop.

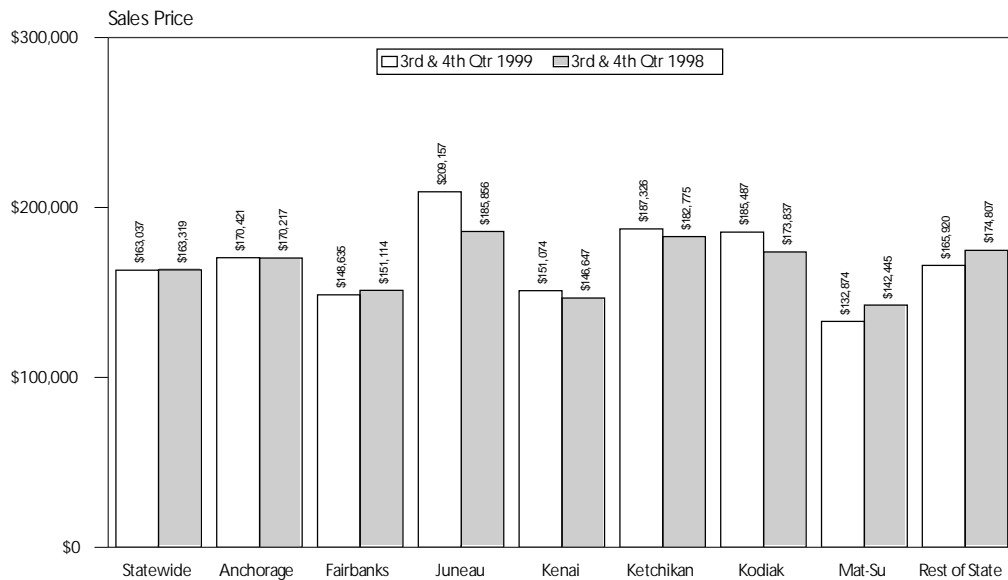
- Regionally, the highest average sales price for a single-family home was in Juneau at \$209,157 in the second half of 1999.
- The Mat-Su Valley reported the lowest average sales price for a single-family home in the 2nd half at \$132,874.
- Compared to the first half of 1999, the "Rest of State" category reported the greatest drop in average sales price, over \$15,000.
- Condominium average sales prices showed significant change in the areas of Ketchikan and Fairbanks, where a drop in average sales price of over \$23,000 was reported. Activity in these areas is fairly small, however, and small changes in activity can often distort loan activity statistics.
- HUD's U.S. Housing Market Conditions reports that in 1999 the average sales price of home in Anchorage was \$175,000 and increasing at a rate of 2-4 percent annually. These finding are similar to those of the Lender's Survey, which reported an average 1999 sales price of \$174,000 for Anchorage, with a 2.4% annual increase.

Average Sales Price

Single-Family Homes

3rd and 4th Qtr 1999 vs. 3rd and 4th Qtr 1998

Figure 1-1



Note: The average sales price of a house tends to show larger variance in areas with low activity areas.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Loan-to-Value Ratios Inch Upward

Figure 1-2

On average, purchasers of single-family homes borrowed 87.3% of the sales price in 1999, up slightly from 86.7% in 1998. For condominiums, the loan-to-value ratio fell to 89.3% in 1999 from 91.1% in 1998.

- Three-quarters of the loans made in Alaska in 1999 were insured or guaranteed by the Federal Housing Administration (FHA), Veterans Administration (VA), private or other mortgage insurance.
- Nationally, over three million loans were insured in 1999. FHA endorsed 40% of the loans. The Veterans Administration endorsed 15%. The remaining 35% were endorsed by private mortgage insurance.
- FHA reports endorsing over 185 new multi-family projects throughout the United States in 1999. The average loan amount insured was \$1.8 million dollars.

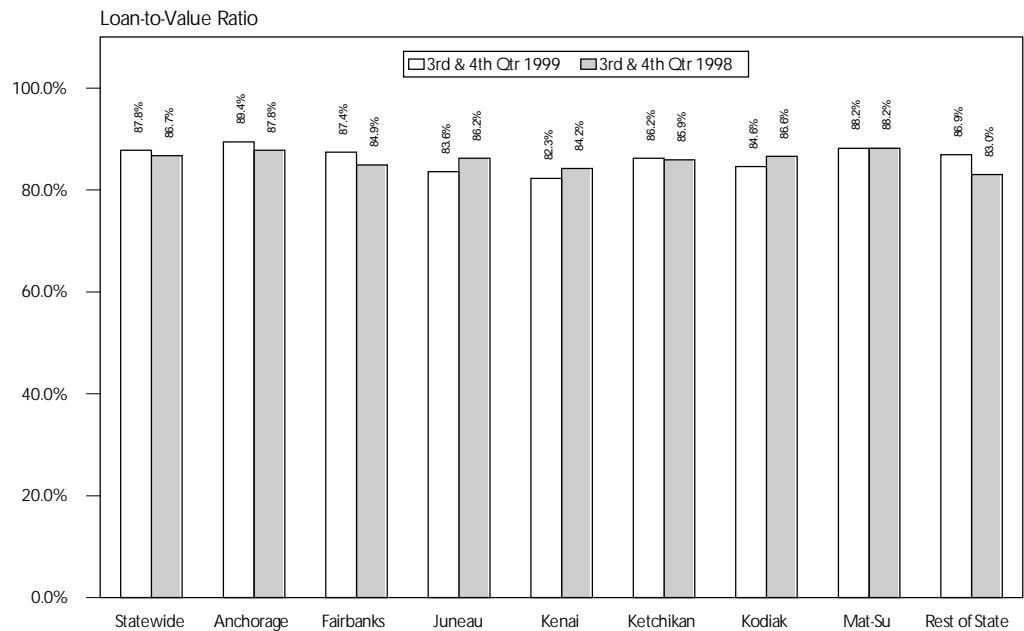
Average Loan-to-Value Ratios

Single-Family Homes

3rd and 4th Qtr 1999 vs. 3rd and 4th Qtr 1998

Figure 1-2

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.



Interest Rates Climb in the Second Half

In response to inflationary fears, the Federal Reserve Bank initiated three interest rate hikes in 1999, increasing the federal fund rate by .75%. These rate increases had an immediate effect on mortgage interest rates. Nationally, the rate on a 30-year FHA mortgage rose 48 basis points from 7.58% in June to 8.06% in December. Conventional 30-year rates also climbed 36 basis points in the same period.

Interest rates climbed in Alaska from an average of 6.64% in the second half of 1998, to 7.20 in the second half of 1999. The interest-rate increase was not felt until the fourth quarter when lender's began to report declines in lending activity.

AHFC continued to offer interest rates about one-and-a-half points lower than those of other lenders. In the second half of 1999, AHFC's rate averaged 6.28%, while the rate for other lenders averaged 7.76%.

Wage Income Falls Incrementally

Figure 1-3

Alaska continues to add new jobs to the economic picture, although at an incremental rate. Recent downsizing in the oil industry and consolidations in retail trade slowed Alaska's annual employment growth from 2.3% to .9% in 1999.

- Services continued to provide the most new jobs. Nearly every services sector added employment with the largest gains in health care, hotels, social services, education services, and membership organizations (which include village councils). Retail, construction and transportation firms also contributed to job growth.
- In 1999, the statewide average monthly wage fell .9% to \$2,767. The decline accelerated in the second half of the year. Compared to the same period in 1998, the average wage was down \$9 in the first half of 1999 and \$41 in the second half.
- Spring forecasts projected statewide employment growth of about 1.5% a year in 2000 and 2001. Industries expected to add the most jobs include services, construction, air-cargo handling, trade and the visitors sector.

Affordability Largely Unchanged Throughout 1999

Figure 1-4

The statewide affordability index for single-family homes hovered about 1.41 throughout 1999. The index value indicates the number of earners receiving the average wage that are needed to qualify for a 30-year single-family home mortgage at the average interest rate with 15 percent down. A decrease in this index means that a family is more able to afford a home.

- Houses were least affordable in Kodiak, where the index hit 2.01 in the fourth quarter of 1999. Other areas with index values over 1.50 were Juneau, Ketchikan and Kenai.
- Houses were most affordable in Anchorage, which had a fourth-quarter index of 1.38. However, the number of earners receiving the average Anchorage wage needed to afford a home in Mat-Su was even less, at 1.11.
- The statewide affordability index for condominiums was 0.77 in the last quarter of 1999. Condominiums were most affordable in Fairbanks, which had an index value of 0.58.

Average Monthly Wage

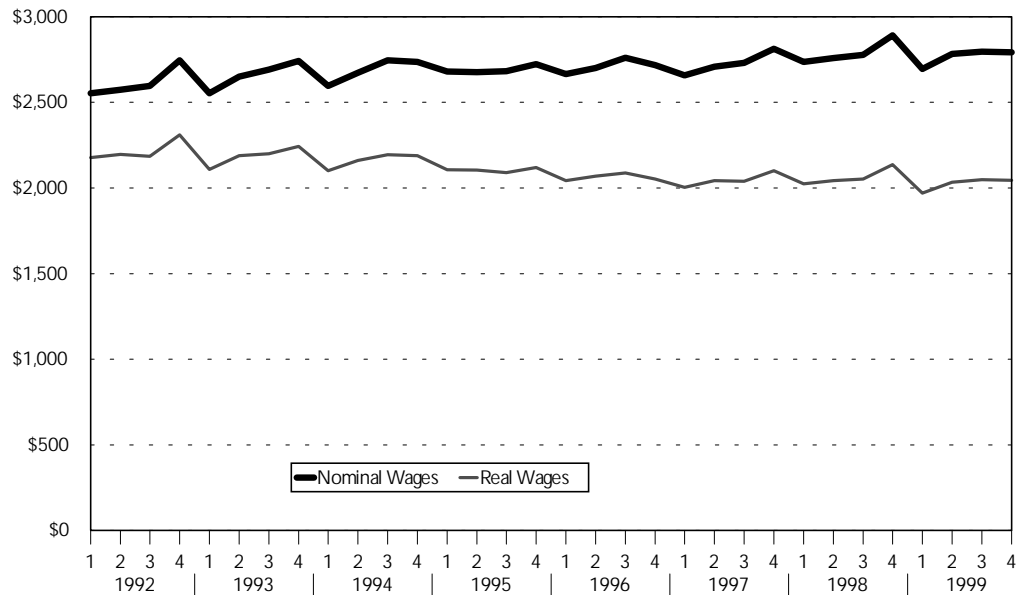
Statewide

Figure 1-3

1st Qtr. 1992 - 4th Qtr 1999

Note: Fourth Qtr 1999 data are preliminary

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.



Alaska Affordability Index

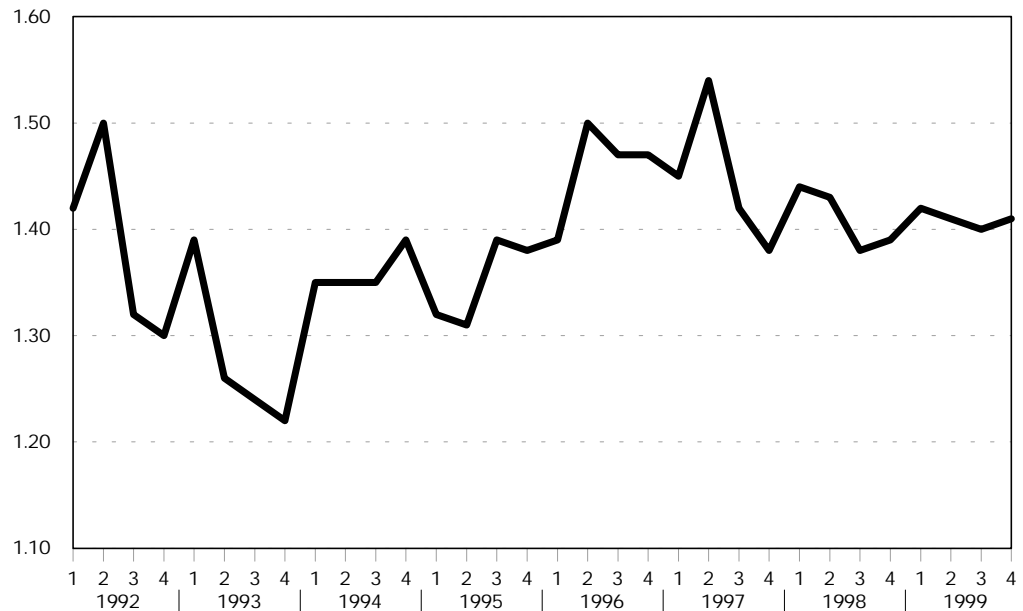
Single-Family Homes, Private and Public-Agency Lenders

Figure 1-4

1st Qtr 1992 - 4th Qtr 1999

Note: The Affordability Index is the number of earners needed to qualify for an 85% mortgage. Contrary to other common indexes, this one decreases when affordability improves and increases when affordability declines. Therefore, a smaller affordability index or a decrease is always more favorable to buyers. 4th Qtr. 1999 data are preliminary

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.



National Affordability Continues To Decline

Nationally, housing became less affordable in 1999 as rising interest rates and home prices offset gains in income. The national index that averaged 137.1 in the first half of 1999 fell to 128.4 in the second half. In this index, compiled by the National Association of Realtors (NAR), a value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment. A decrease in the index shows that a family with median income is less able to afford the home.

Quarterly Survey of Alaska Lenders Data Tables Available on Internet

Readers can obtain up-to-date historical data from the Quarterly Survey of Alaska Lenders on the Alaska Housing Finance Corporation's web site under the "Download" section. The address is www.ahfc.state.ak.us.

The historical data tables cover loan activity for single-family homes and condominiums from seven Alaskan communities. A category for the entire state is also included.

Section 2

AHFC Residential Loan Portfolio

AHFC's Loan Portfolio Strong in 1999

Figures 2-1, 2-2, & 2-3

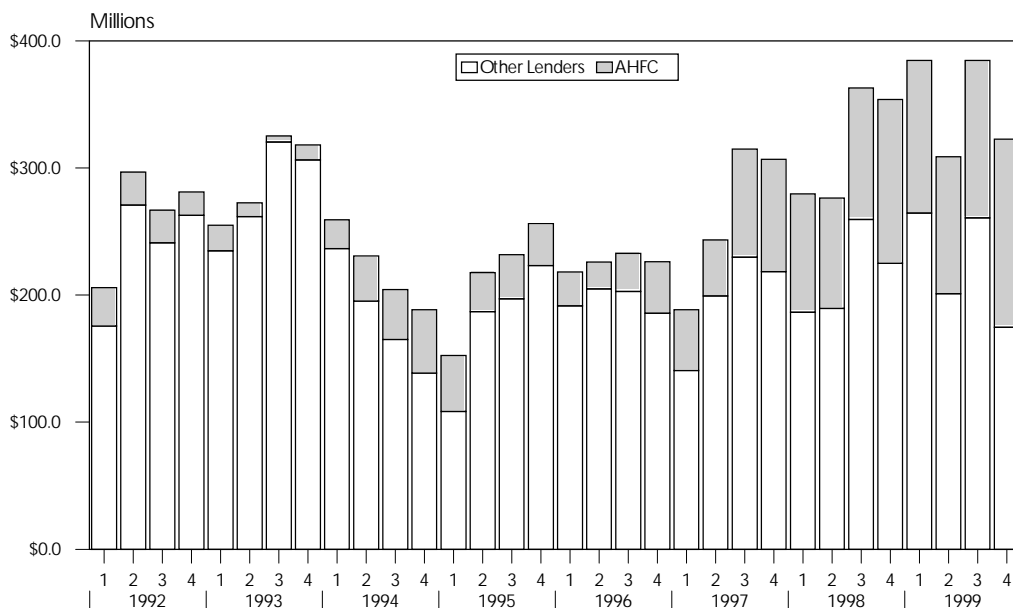
A HFC loan volume topped \$525 million in 1999, up from \$509 million in 1998. Activity was strongest in the first half, largely due to lower interest-rates than in the second half. AHFC made 4,079 loans, of which 92% were for purchase of a residence and the remainder for refinances. The number of refinanced loans fell sharply from 188 in the first quarter to only 13 in the fourth quarter.

Dollar Volume of AHFC Loans by Total Loan Volume

Single-Family Homes and Condominiums

1st Qtr 1992 through 4th Qtr 1999

Figure 2-1

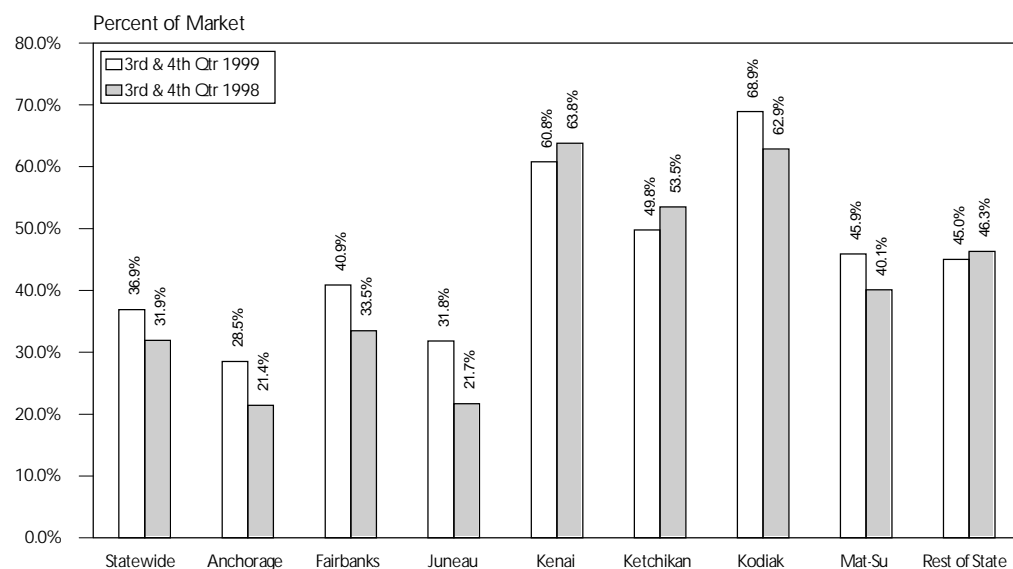


AHFC Market Share of Single-Family Homes

Based on Dollar Loan Volume

3rd and 4th Qtr 1999 vs. 3rd and 4th Qtr 1998

Figure 2-2



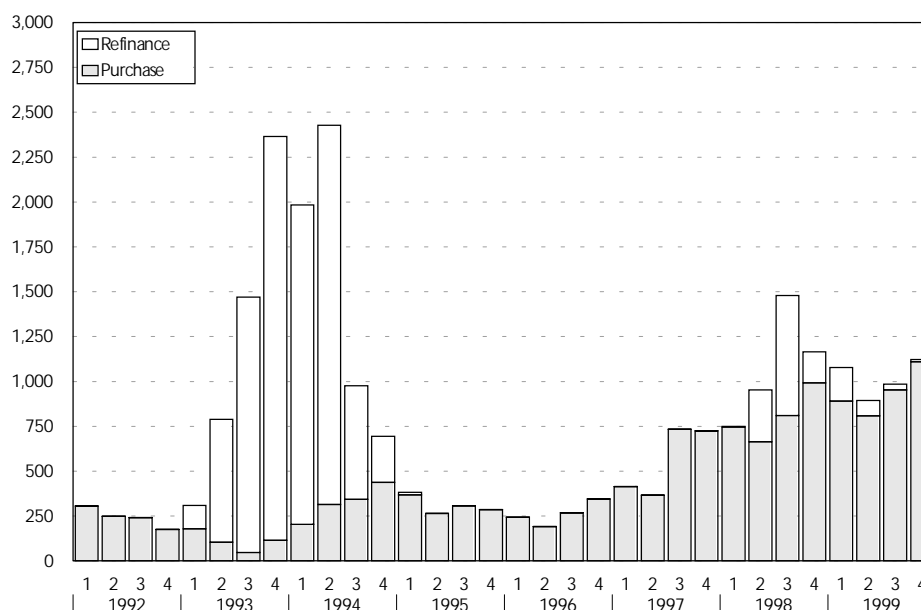
AHFC Loans for Purchase and Refinance

Statewide

Figure 2-3

1st Qtr 1992 - 4th Qtr 1999

Source: Alaska Housing Finance Corporation; Alaska Department of Labor and Workforce Development, Research and Analysis Section.



Stable Rural and Urban Performance

Figures 2-4 and 2-5

For the year, almost one-fourth of AHFC's loans were in its rural portfolio. Loan volume in the urban portfolio rose nearly four percent from \$396.7 million in 1998 to \$412.1 million in 1999.

- The number of loans in the rural portfolio fell 8%, but total volume increased slightly.
- Eight percent of the urban loans and six percent of the rural loans were refinances. The rest were for purchase.

Regionally, fifty-seven percent of AHFC loans for purchase in 1999 went to the Anchorage/Mat-Su region, 12% to the Kenai Peninsula Borough, 11% to the Fairbanks North Star Borough, 4% each to the Juneau and Kodiak Island boroughs, 3% to Ketchikan Gateway Borough and 9% to the rest of Alaska.

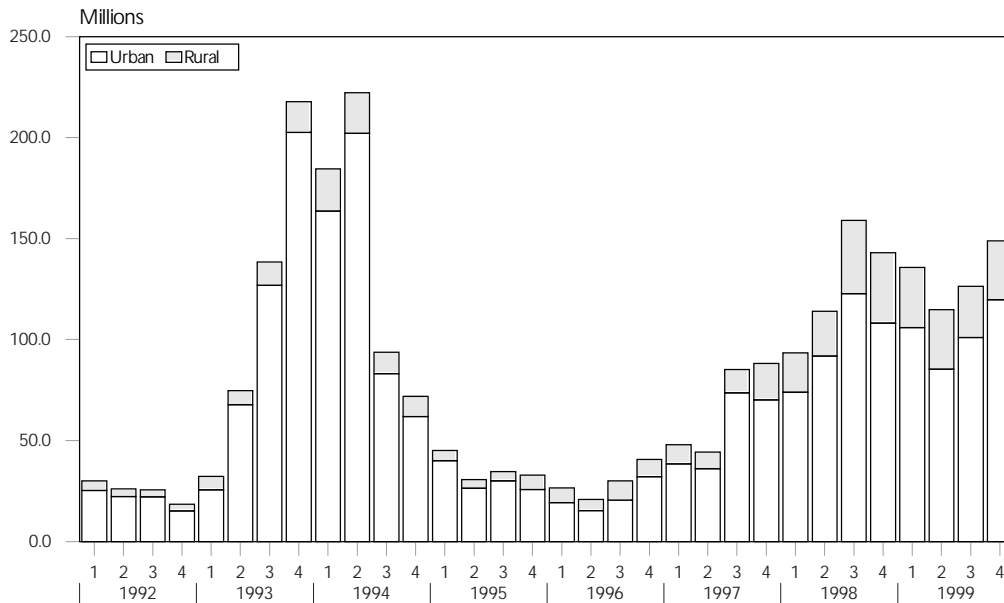
When compared to the Quarterly Survey of Lenders (Section 1), AHFC financed over 30% of the single-family loans and over 50% of the condominium loans. AHFC reported over half of all single-family loans in the Kodiak Island, Kenai Peninsula and Ketchikan Gateway boroughs, but only a quarter of the Anchorage loans.

AHFC Dollar Volume of Urban and Rural Loans

Statewide

1st Qtr 1992 through 4th Qtr 1999

Figure 2-4



Note: "Rural Loan" refers to mortgages made under AHFC's Rural Loan Program. Excludes refinances.

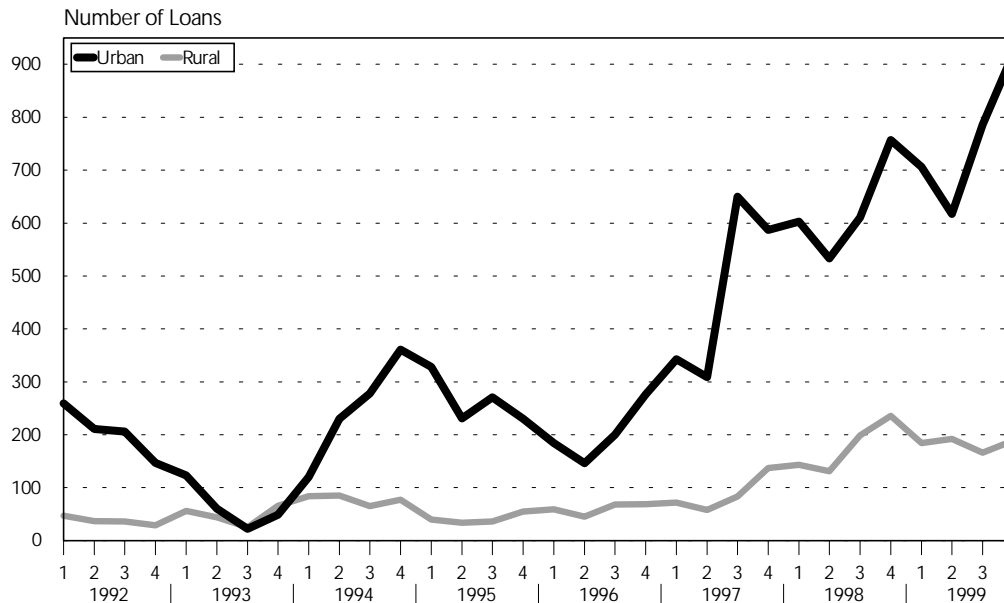
Source: Alaska Housing Finance Corp.; Alaska Department of Labor and Workforce Development, Research and Analysis Section.

AHFC Loans Purchased

Urban vs. Rural

1st Qtr 1992 - 4th Qtr 1999

Figure 2-5



Note: Excludes refinances.

Source: Alaska Housing Finance Corp.; Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Average Sales Prices and Loan Amounts

Table 2-1, Figure 2-6

In 1999, the average AHFC loan for purchase of a single-family home was \$141,752. Condominium loans averaged \$82,925. In most areas of the state AHFC recorded higher selling prices for homes in 1999 than in 1998. AHFC's favorable interest rates influenced consumer preference for new construction, particularly in rural areas of the state where construction costs tend to be higher than in urban areas.

The average sales price for purchase of a single-family home financed through AHFC rose in all areas, except Fairbanks, where it fell almost one percent. The largest percentage increase 11.1%, was in the Kenai Peninsula Borough.

In 1999, the largest category of AHFC loans were for homes priced \$80,001 - \$120,000. This segment represented 28% of total loans and 21% of total loan volume. Over 81% of the loans made for homes in this price range were through AHFC's Veterans Mortgage Program and/or AHFC's Tax-Exempt First-Time Home Buyer's Program. Sixty percent of the households in this category were families with children.

The bulk of households purchasing homes priced less than \$80,001 were single-person and small, related households. Seventy-four percent of the homes purchased in this price range were for condominiums. Less than half of the properties in this category were insured by FHA/VA.

Homes priced higher than \$220,000 accounted for less than 11.5% of the total number of loans, but represented 19% of total loan volume. Three-quarters of the loans in this category were for homes outside of Anchorage.

Price Range Summary AHFC Condominium and Single-Family Loans

Table 2-1

1999 Income Summary

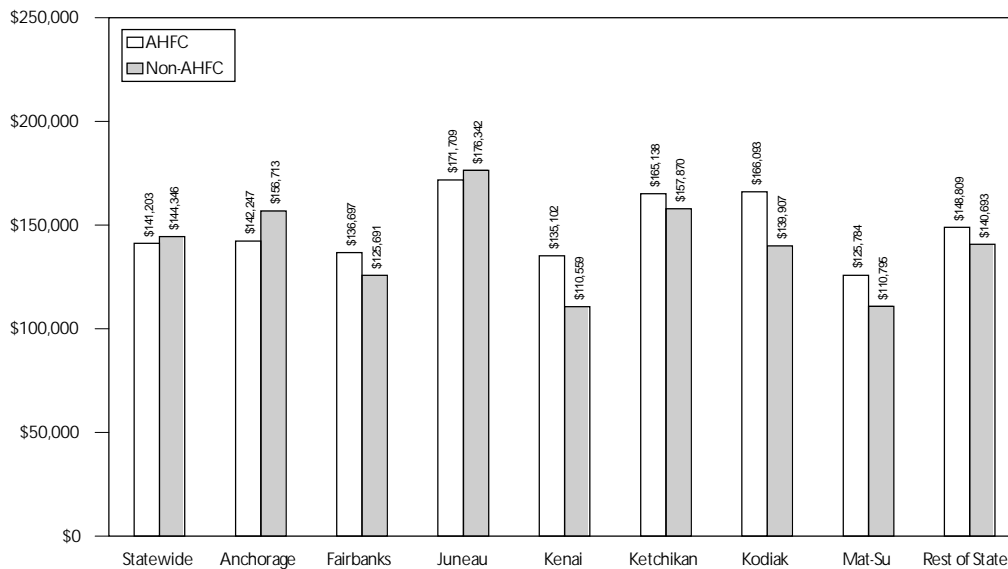
<i>Note: Excludes refinances</i>							
<i>Source: Alaska Housing Finance Corporation; Alaska Department of Labor and Workforce Development, Research and Analysis Section.</i>							
House Purchase Price Range	Number of Loans	Avg Monthly Income of Buyer (\$)	Median Total Purchase Price (\$)	Average Loan-to-Value Ratio	Number of First-Time Homebuyers	Total Loan Volume (\$)	
Less than \$80,001	382	2,975	67,500	94.95	315	23,456,058	
\$80,001 - 120,000	1,041	3,399	105,000	96.93	900	104,333,671	
\$120,001 - 140,000	722	4,019	129,038	96.28	559	89,445,404	
\$140,001 - 160,000	450	5,012	152,500	94.76	250	64,742,587	
\$160,001 - 180,000	371	5,553	171,800	92.74	178	59,084,800	
\$180,001 - 200,000	200	6,571	190,103	90.27	45	34,495,347	
\$200,001 - 220,000	164	6,604	210,000	84.68	27	29,122,202	
Greater than \$220,000	431	8,527	272,400	76.91	49	94,917,464	

AHFC and Non-AHFC Average Loan Amounts

Single-Family Homes

2nd Half 1999

Figure 2-6



Source: Alaska Housing Finance Corp.; Alaska Department of Labor and Workforce Development, Research and Analysis Section.

AHFC Home Buyers Earned 60-80% of Median Income

Table 2-2

Median family income refers to the total amount of income that a family of four typically earns yearly. This income figure is updated annually by the U.S. Department of Housing and Urban Development and is used to determine, among other things, if homebuyers qualify for certain tax-exempt mortgage programs. For 1999, the State of Alaska Median Family income is \$53,900, or \$4,491 a month.

In 1999, a large portion of single-family and condominium loans originated by AHFC were for borrowers who earned between 60% and 79% of median family income. Home buyers in this income range accounted for 23% of the total non-refinance mortgages in AHFC's portfolio. The median home purchase price for this income range was \$116,000.

- Borrowers who earned 80-99% of median family income had the highest loan-to-value ratio of 95.51%. Borrowers earning less than 20% of Median Family Income had the lowest loan-to-value ratio, 61.12.
- The greatest amount of loan-volume activity, \$101 million, occurred for home buyers who earned 160% or greater of median family income.

Income Summary

AHFC Condominium and Single-Family Loans

Table 2-2

1st Half 1999

Source: Alaska Housing Finance Corporation, Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Monthly Income	Median Family Income Level	Average Family Income (\$)	Number of Loans	Median Purchase Price (\$)	Average Loan-to-Value Ratio	Number of First-Time Homebuyers	Total Loan Volume (\$)
Less than \$899	Less than 20%	835	3	58,000	61.1	0	251,900
\$899 - 1,795	20 - 39%	1,655	63	70,000	91.2	53	3,998,396
\$1,796 - 2,694	40 - 59%	2,363	489	94,500	94.0	432	43,019,284
\$2,695 - 3,592	60 - 79%	3,176	874	116,000	95.3	727	95,472,096
\$3,593 - 4,490	80 - 99%	4,011	800	129,000	95.5	622	100,341,096
\$4,491 - 5,389	100 - 119%	4,876	502	152,250	92.8	280	70,626,330
\$5,390 - 6,287	120 - 139%	5,834	279	172,000	91.7	83	44,491,775
\$6,288 - 7,184	140 - 159%	6,711	232	189,875	88.4	47	39,924,938
\$7,185 and Up	160% and Up	8,742	519	215,000	85.8	79	101,471,718

Median Purchase Price of Single-Family Homes and Condominiums

Figure 2-7

The median sales price of a single-family home financed by AHFC was \$140,000 in 1999, the same as in 1998.

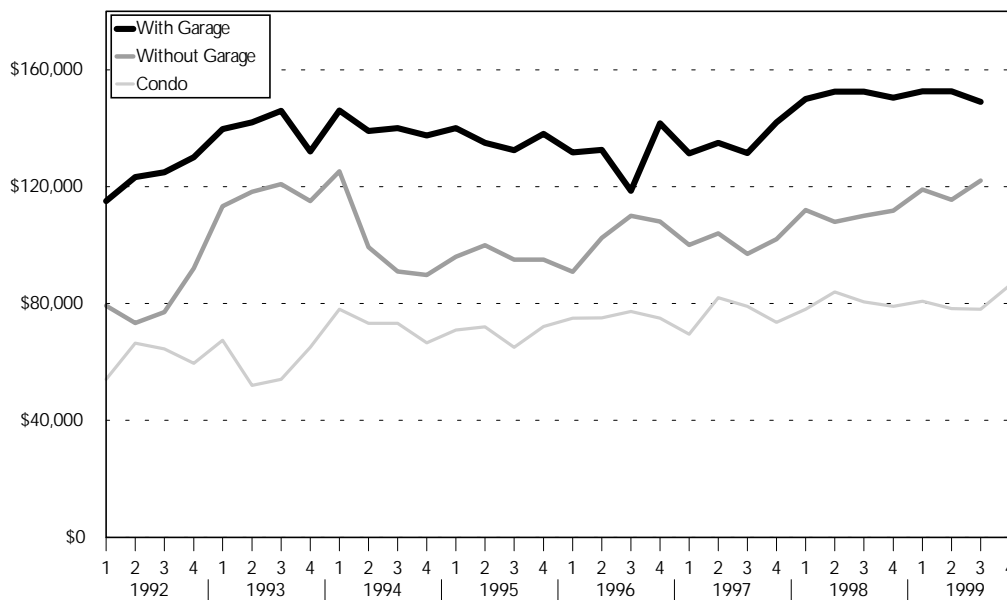
- The median price of homes with garage also held steady at \$152,000. However, the median price for home without garage jumped from \$110,000 in 1998 to \$119,950 for the first three quarters of 1999.
- The median price for condominiums rose 1.6%, from \$79,950 in 1998 to \$81,194 in 1999.

Median Purchase Price of Homes and Condominiums

AHFC Single-Family Homes with/without Garage and Condominiums

1st Qtr 1992 - 4th Qtr 1999

Figure 2-7



Note: Information on garages was discontinued by AHFC in the 4th Qtr. of 1999.

Source: Alaska Housing Finance Corp.; Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.

AHFC Foreclosures, Disposals and REO Inventory

A HFC continues to report low foreclosure and disposal activity. In the second half of 1999, AHFC recorded 61 foreclosures and 25 disposals. These numbers represent less than .5% of AHFC's active loan portfolio. AHFC's REO inventory also remains low - less than 15 REOs were held at the end of December 1999.

In the fourth quarter of 1999, AHFC reported 811 delinquent loans, with 67.6% of the loans being 30-60 days delinquent. These cases represent less than 3% of active AHFC loans.

Nationally, delinquency rates averaged below 4.2% in the second half of 1999. FHA-insured loans reported the highest rate of delinquency at 8.6%. Privately insured mortgages had the lowest rate of delinquency at 2.6%.

National foreclosure activity hovered at .2% for all loans. FHA recorded the highest level of foreclosure activity at .55%. FHA foreclosure activity remains higher than pre-1996 levels, but has dropped since 1998.

Section 3

Alaska Multiple Listing Service Information

MLS Activity Strongest in Southcentral Alaska

Tables 3-1 to 3-8, Figure 3-1

Note: Anchorage Multiple Listing Service includes data for all statewide sales. Unless the Municipality of Anchorage is specified, MLS of Anchorage data include sales from all regions of the State.

Multiple listing services for Anchorage and Mat-Su reported an increase in sales activity in 1999 compared to 1998. Sales in Fairbanks North Star Borough were virtually flat. For the Kenai Peninsula and Juneau Boroughs, comparable over-the-year data were not available.

In Anchorage, during the 1990s, prices rose three times faster for condominiums than for single-family homes. In 1999 the price of a condominium averaged \$95,317, up from \$41,715, or 128 percent from the same period in 1990. The price of a single-family home rose 43 percent. Home prices now match levels recorded prior to the housing market collapse that plagued the late 1980s.

- For 1999, Anchorage MLS reported 3,716 single-family homes sold, the most recorded since 1988.
- Within the Municipality of Anchorage, 3,028 single-family homes and 846 condominiums sold at average prices of \$179,825 and \$91,850, respectively.
- The average price of a single-family home reported to Anchorage MLS in 1999 fell 2.3% from 1998. Condominium prices rose over 7 percent.
- Growth in the number of single-family homes sold in Mat-Su fell to less than two percent in 1999, following annual growth of around 25 percent in 1997 and 1998. The average price of a single-family home increased every year this decade, rising 134%, from \$60,185 in 1990 to \$140,577 in 1999.
- In Fairbanks, almost the same number of single-family homes were sold in 1999 as in 1998, but the average price rose 5 percent. During the 1990s, the average price rose 79 percent.
- Three hundred sixty-three homes sold in the Kenai Peninsula Borough in 1999, at an average price of \$116,325.
- For 1999, Juneau MLS reported sales of 171 single-family homes at an average price of \$204,053, and 67 condominiums averaging \$110,213.

In 1999, there were strong regional differences in single-family sales by price range:

- Over 55% of Anchorage MLS activity occurred for homes priced over \$140,000.
- Kenai, Mat-Su, and Fairbanks, three of the most affordable regions in the state, continue to report strong activity for homes priced under \$120,000.
- Juneau-Douglas MLS recorded 171 sales in the second half of 1999. Over half of these sales were for homes priced over \$180,000.

Municipality of Anchorage

Single-Family Residential Listings and Sales

Table 3-1

1st Qtr 1994 through 4th Qtr 1999

Note: Single-family residences include single-family homes with apartments, zero-lot lines and mobile homes. Data for fourth quarter 1999 include activity for first through third quarters that was reported late. Active listings data for the fourth quarter of 1998 do not include information for December 1998. These numbers include data for properties statewide that are reported to Anchorage MLS

Source: Anchorage Multiple Listing Service, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section

Qtr/Yr	Active Listings			Sales Closed					
	YTD	Number	Sales-as-%-Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q1999	N/A	N/A	N/A	3,716	1,229	191,971,018	156,201	100.32	111
3Q1999	3,740	1,265	76.7	2,487	970	173,049,386	178,401	98.67	72
2Q1999	2,475	1,355	62.5	1,517	847	151,495,045	178,861	98.18	71
1Q1999	1,120	1,120	59.8	670	670	114,236,749	170,503	97.09	74
4Q1998	4,419	1,027	87.0	3,294	893	155,568,680	174,209	98.55	69
3Q1998	3,392	1,283	77.2	2,401	991	177,652,225	179,266	98.29	65
2Q1998	2,109	1,179	66.6	1,410	785	133,569,910	170,153	98.72	71
1Q1998	930	930	67.2	625	625	105,276,089	168,442	96.58	79
4Q1997	4,537	925	97.0	3,381	897	145,247,808	161,926	97.76	73
3Q1997	3,612	1,212	88.2	2,484	1,069	174,426,311	163,168	98.10	70
2Q1997	2,400	1,326	63.8	1,415	846	133,806,815	158,164	97.35	76
1Q1997	1,074	1,074	53.0	569	569	91,134,000	160,165	97.35	70
4Q1996	4,405	995	80.3	3,018	799	125,108,297	156,581	98.13	77
3Q1996	3,410	1,264	68.1	2,219	861	133,201,533	154,706	97.23	70
2Q1996	2,146	1,198	69.9	1,358	837	132,573,864	158,392	97.71	71
1Q1996	948	948	55.0	521	521	80,345,780	154,215	98.38	63
4Q1995	4,213	1,055	64.7	2,844	683	102,957,448	150,743	98.12	63
3Q1995	3,158	1,231	66.9	2,161	824	124,030,339	150,522	97.97	70
2Q1995	1,927	1,069	62.0	1,337	663	102,995,479	155,348	100.60	77
1Q1995	858	858	78.6	674	674	91,268,540	135,413	98.34	82
4Q1994	4,521	1,130	63.0	2,714	712	102,721,276	144,271	98.32	82
3Q1994	3,391	1,417	53.1	2,002	753	118,103,522	156,844	102.06	85
2Q1994	1,974	1,154	56.2	1,249	648	109,685,511	169,268	111.31	100
1Q1994	820	820	73.3	601	601	86,154,566	143,352	98.61	97

Municipality of Anchorage

Condominium Listings and Sales

Table 3-2

1st Qtr 1994 through 4th Qtr 1999

Note: Active listings data for the fourth quarter of 1998 do not include information for December 1998. Days on market through 4th quarter 1999 are based on active listings.

Source: Anchorage Multiple Listing Service, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.

Qtr/Yr	Active Listings				Sales Closed				
	YTD	Number	Avg. Days on Market	Sales-as-%-Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)
4Q1999	N/A	N/A	N/A	N/A	955	256	24,053,915	93,961	N/A
3Q1999	1,154	390	124	66.4	699	259	24,281,674	93,752	N/A
2Q1999	764	409	104	55.5	440	227	21,927,601	96,597	N/A
1Q1999	355	355	N/A	60.0	213	213	20,765,196	97,489	N/A
4Q1998	1,306	325	108	77.8	873	253	23,812,789	94,122	N/A
3Q1998	981	398	88	55.8	620	222	20,243,950	91,189	N/A
2Q1998	583	310	87	70.3	398	218	19,056,517	87,415	N/A
1Q1998	273	273	101	65.9	180	180	14,472,170	80,401	N/A
4Q1997	1,317	279	135	82.1	783	229	20,745,990	90,594	N/A
3Q1997	1,038	363	118	50.4	554	183	15,730,319	85,958	N/A
2Q1997	675	368	109	61.1	371	225	19,660,983	87,382	N/A
1Q1997	307	307	119	47.6	146	146	11,281,574	77,271	N/A
4Q1996	1,187	281	106	54.1	662	152	11,985,178	78,850	N/A
3Q1996	906	335	95	55.2	510	185	15,564,410	84,132	96.82
2Q1996	571	318	94	63.5	325	202	16,783,791	83,088	96.43
1Q1996	253	253	105	48.6	123	123	9,878,848	80,316	97.02
4Q1995	1,367	298	161	43.6	575	130	11,245,110	86,501	97.70
3Q1995	1,069	362	131	41.4	445	150	12,507,000	83,380	97.55
2Q1995	707	366	144	39.3	295	144	11,053,698	76,762	97.62
1Q1995	341	341	147	44.3	151	151	13,135,459	86,990	98.39
4Q1994	1,373	399	126	43.4	561	173	13,156,701	76,050	98.44
3Q1994	974	388	91	34.3	388	133	9,772,033	73,474	98.54
2Q1994	586	343	112	41.1	255	141	11,532,233	81,789	97.30
1Q1994	243	243	136	46.9	114	114	9,061,221	79,484	97.95

Kenai Peninsula Borough

Single-Family Residential Listings and Sales

1st Qtr 1994 through 4th Qtr 1999

Table 3-3

Qtr/Yr	Active Listings			Sales Closed					
	YTD	Number	Sales-as-%-Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q1999	(See notes.)								
3Q1999	(See notes.)								
2Q1999	(See notes.)								
1Q1999	394	394	13.2	52	52	5,444,557	104,703	N/A	216
4Q1998	1,040	253	26.5	202	67	8,020,151	119,704	N/A	126
3Q1998	787	304	18.4	135	56	7,152,300	127,720	N/A	119
2Q1998	483	286	16.1	79	46	5,651,892	122,867	N/A	158
1Q1998	197	197	16.8	33	33	4,030,937	122,150	N/A	197
4Q1997	961	189	24.9	220	47	6,933,237	147,516	N/A	170
3Q1997	772	246	34.1	173	84	11,021,404	131,207	98.79	165
2Q1997	526	278	17.3	89	48	5,014,750	104,474	96.37	159
1Q1997	248	248	16.5	41	41	4,050,279	98,787	95.82	166
4Q1996	1,111	198	29.8	285	59	5,988,609	101,502	N/A	121
3Q1996	913	313	27.2	226	85	8,503,029	100,036	96.10	169
2Q1996	600	331	25.7	141	85	8,861,408	104,252	97.11	169
1Q1996	269	269	20.8	56	56	5,581,755	99,674	93.43	177
4Q1995	1,090	280	35.0	333	98	9,784,317	99,840	96.12	173
3Q1995	810	298	33.2	235	99	8,547,032	86,334	96.29	149
2Q1995	512	276	32.2	136	89	9,022,900	101,381	97.29	182
1Q1995	236	236	19.9	47	47	4,777,700	101,653	95.29	198
4Q1994	1,106	255	30.6	364	78	6,999,688	89,740	96.08	173
3Q1994	851	313	31.3	286	98	9,570,665	97,660	96.48	144
2Q1994	538	305	31.8	188	97	9,487,241	97,807	97.10	142
1Q1994	233	233	39.1	91	91	8,398,078	92,287	96.25	177

Note: Quarterly data not available. Available data for all of 1999 for Kenai Peninsula Borough are: number sold, 363; volume sold, \$42,225,855; average price, \$116,325; sales price as % list price, 95.0. Data prior to 1999 for Upper Kenai Peninsula only. Average days on market are for sales closed and not for listings.

Source: Kenai Peninsula Board of Realtors, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.

Matanuska-Susitna Borough

Single-Family Residential Listings and Sales

1st Qtr 1994 through 4th Qtr 1999

Table 3-4

Qtr/Yr	Active Listings			Sales Closed					
	YTD	Number	Sales-as-%-Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q1999	2,405	458	52.8	964	242	34,044,497	140,680	64.94	130
3Q1999	1,947	659	47.2	722	311	43,347,742	139,382	98.17	114
2Q1999	1,288	704	35.9	411	253	36,796,465	145,441	102.25	132
1Q1999	584	584	27.1	158	158	21,327,954	134,987	96.59	124
4Q1998	2,190	487	55.6	947	271	39,435,862	145,520	98.91	96
3Q1998	1,703	606	51.5	676	312	42,912,187	167,621	98.40	85
2Q1998	1,097	657	36.2	364	238	31,533,734	132,495	98.58	80
1Q1998	440	440	28.6	126	126	15,645,332	124,169	98.49	85
4Q1997	1,828	370	54.9	761	203	26,182,535	128,978	97.54	85
3Q1997	1,458	489	50.9	558	249	31,259,100	125,539	97.90	78
2Q1997	969	539	36.2	309	195	23,271,365	119,340	97.27	72
1Q1997	430	430	26.5	114	114	13,013,079	114,150	97.33	99
4Q1996	2,072	405	43.5	607	176	20,265,296	115,144	97.12	80
3Q1996	1,667	615	30.2	431	186	20,179,075	108,490	97.86	60
2Q1996	1,052	621	26.9	245	167	18,170,905	108,808	98.05	80
1Q1996	431	431	18.1	78	78	8,260,356	105,902	96.53	74
4Q1995	1,734	390	39.7	567	155	15,831,229	102,137	97.70	84
3Q1995	1,344	466	38.4	412	179	17,161,288	95,873	97.16	88
2Q1995	878	481	24.7	233	119	11,407,645	95,863	97.66	75
1Q1995	397	397	28.7	114	114	11,145,209	97,765	97.08	108
4Q1994	1,639	363	40.8	579	148	14,082,250	95,150	97.20	90
3Q1994	1,276	497	34.2	431	170	16,492,382	97,014	96.71	79
2Q1994	779	486	31.1	261	151	15,465,607	102,421	96.63	80
1Q1994	293	293	37.5	110	110	10,310,145	93,729	97.38	94

Note: Data from a small number of condominium sales may be included, but do not significantly impact the dollar values reported. Data for May 1988 are not available. For 2nd quarter 1988, listings are based on the average for April and June and sales are understated. Matanuska-Susitna includes condominiums in quarterly residential sales data. These sales account for a very small proportion of overall activity.

Source: Valley Board of Realtors Multiple Listing Service, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.

Fairbanks North Star Borough

Single-Family Residential Listings and Sales

Table 3-5

1st Qtr 1994 through 4th Qtr 1999

Source: Greater Fairbanks Board of Realtors Multiple Listing Service, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.

Qtr/Yr	Active Listings			Sales Closed					
	YTD	Number	Sales-as-%Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q1999	369	71	218.3	651	155	20,633,226	133,118	98.0	124
3Q1999	298	82	257.3	496	211	29,856,510	141,500	112.0	109
2Q1999	216	124	146.0	285	181	27,099,351	149,720	108.0	111
1Q1999	92	92	113.0	104	104	13,952,850	134,162	98.0	152
4Q1998	N/A	N/A	N/A	653	193	25,917,514	134,287	N/A	123
3Q1998	N/A	N/A	N/A	460	227	32,058,342	141,226	N/A	114
2Q1998	492	269	56.5	233	152	20,270,015	133,355	N/A	116
1Q1998	223	223	36.3	81	81	9,137,997	112,815	N/A	N/A
4Q1997	N/A	N/A	N/A	629	170	19,465,850	114,505	N/A	N/A
3Q1997	N/A	N/A	N/A	459	187	21,648,055	115,765	N/A	N/A
2Q1997	N/A	N/A	N/A	272	191	24,577,689	128,679	N/A	N/A
1Q1997	N/A	N/A	N/A	81	81	8,668,215	107,015	N/A	N/A
4Q1996 (est)	934	232	73.3	649	170	19,465,850	114,505	93.3	84
3Q1996	702	281	68.7	479	193	21,653,398	112,193	94.3	72
2Q1996	421	257	67.3	286	173	18,635,537	107,719	93.9	80
1Q1996	164	164	68.9	113	113	11,872,963	105,070	91.7	96
4Q1995	787	183	83.6	667	153	15,733,821	102,835	93.3	89
3Q1995	604	253	79.4	514	201	21,760,251	108,259	97.0	64
2Q1995	351	208	84.1	313	175	19,147,942	107,572	95.5	63
1Q1995	143	143	96.5	138	138	15,263,504	110,605	97.3	85
4Q1994	916	318	58.5	712	186	18,285,120	98,307	95.6	79
3Q1994	598	275	80.4	526	221	22,694,773	102,691	96.7	61
2Q1994	323	222	74.8	305	166	17,589,109	105,958	98.1	61
1Q1994	101	101	137.6	139	139	14,087,103	101,346	98.0	84

Fairbanks North Star Borough

Condominium and Townhouse Listings and Sales

Table 3-6

1st Qtr 1994 through 4th Qtr 1999

Source: Greater Fairbanks Board of Realtors Multiple Listing Service, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section

Qtr/Yr	Active Listings			Sales Closed					
	YTD	Number	Sales-as-%Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q1999	43	2	550.0	57	11	790,700	71,882	98.0	178
3Q1999	41	7	242.9	46	17	1,427,050	83,944	99.0	142
2Q1999	34	22	95.5	29	21	1,472,500	70,119	99.0	112
1Q1999	12	12	66.7	8	8	557,750	69,719	98.0	71
4Q1998	N/A	N/A	N/A	N/A	15	1,097,250	73,150	N/A	162
3Q1998	N/A	N/A	N/A	N/A	18	1,366,900	75,939	N/A	82
2Q1998	N/A	N/A	N/A	N/A	7	478,424	68,346	N/A	140
1Q1998	(Data not available from Fairbanks MLS due to computer problems.)								
4Q1997	(Data not available from Fairbanks MLS due to computer problems.)								
3Q1997	(Data not available from Fairbanks MLS due to computer problems.)								
2Q1997	(Data not available from Fairbanks MLS due to computer problems.)								
1Q1997	(Data not available from Fairbanks MLS due to computer problems.)								
4Q1996 (est)	57	15	86.7	67	13	819,169	63,013	94.6	90
3Q1996	42	17	141.2	54	24	1,419,266	59,136	95.1	48
2Q1996	25	16	143.8	30	23	1,496,616	65,070	97.4	49
1Q1996	9	9	77.8	7	7	463,700	66,242	95.4	238
4Q1995	68	7	200.0	55	14	930,500	66,464	97.0	158
3Q1995	61	19	73.7	41	14	1,092,100	78,007	98.0	137
2Q1995	42	22	81.8	27	18	1,217,700	67,650	96.4	63
1Q1995	20	20	45.0	9	9	683,250	75,916	95.9	84
4Q1994	62	22	50.0	58	11	742,700	67,518	99.5	45
3Q1994	40	16	93.8	47	15	1,034,500	68,966	96.7	61
2Q1994	24	16	100.0	32	16	959,000	59,937	98.1	91
1Q1994	8	8	200.0	16	16	909,900	56,868	97.3	68

Juneau Borough

Single-Family Residential Listings and Sales

4th Qtr 1998 through 4th Qtr 1999

Table 3-7

Qtr/Yr	Active Listings			Sales Closed					
	YTD	Number	Sales-as- %-Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q1999	N/A	51	80.4	171	41	8,284,400	202,059	96.7	N/A
3Q1999	N/A	N/A	N/A	130	61	13,786,600	226,010	N/A	N/A
2Q1999	130	70	48.6	69	34	6,031,900	177,409	N/A	N/A
1Q1999	60	60	58.3	35	35	6,790,200	194,006	N/A	N/A
4Q1998	N/A	60	75.0	N/A	45	8,040,880	178,686	N/A	N/A

Note: Data prior to fourth quarter 1998 are not available. Listings data are for end of quarter. Single-family includes single-family residences, single-family with apartment and attached homes. Excludes mobile homes, duplexes and other multi-family buildings.

Source: Juneau Multiple Listing Service, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.

Juneau Borough

Condominium and Townhouse Listings and Sales

4th Qtr 1998 through 4th Qtr 1999

Table 3-8

Qtr/Yr	Active Listings			Sales Closed					
	YTD	Number	Sales-as- %-Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q1999	N/A	15	100.0	67	15	1,553,553	103,570	97.7	N/A
3Q1999	N/A	N/A	N/A	52	21	2,412,100	114,862	N/A	N/A
2Q1999	49	24	79.2	31	19	2,025,300	104,183	N/A	N/A
1Q1999	25	25	48.0	12	12	1,393,300	113,164	N/A	N/A
4Q1998	N/A	34	20.6	N/A	7	618,000	88,286	N/A	N/A

Note: Data prior to fourth quarter 1998 are not available. Listings data are for end-of-quarter.

Source: Juneau Multiple Listing Service, Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.

Single-Family Residential Sales by Price Range

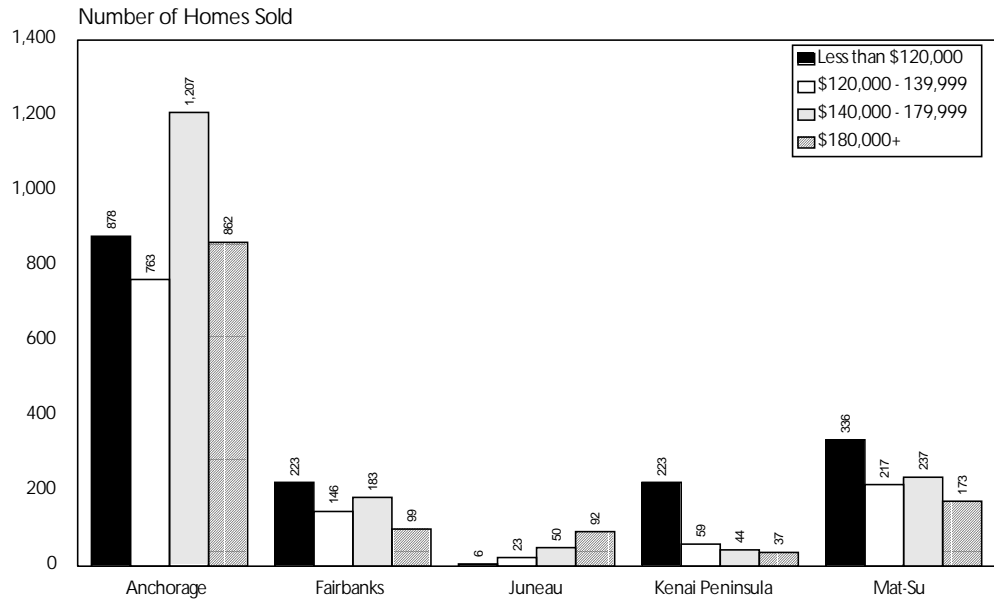
Number of Homes Sold

Figure 3-1

1999

Note: Anchorage and Kenai price ranges are: less than \$125,000; \$125,000 - \$149,999; \$150,000 - \$199,999; and over \$200,000. Anchorage numbers include properties statewide that are reported to Anchorage MLS. Mat-Su numbers may include a small number of condominiums.

Source: Alaska Dept. of Labor and Workforce Development, Research and Analysis Section.



Section 4

New Alaska Housing Units

Decreasing Land Availability Drives Permits Downward

Table 4-1, Figures 4-1 to 4-4

In the midst of higher home sales prices, rising interest rates, and decreasing land availability, permit activity dropped 12% to 3,246 in 1999. The loss in permit activity was strongest for single-family activity, which dropped over 15%. Areas of the state with the strongest single-family activity recorded the greatest drops in total permitting activity. Multi-family activity continued to rise, posting an incremental gain of 4% in 1999.

(continued on page 36)

New Housing Units by Type of Structure

For Places Reporting Data, Comparison with 1998 Permit Data

4th Qtr 1999 vs. 4th Qtr 1998 and Year-to-Date

Table 4-1

Place	Total New Units				Single-Family				Multi-Family				Mobile Home			
	4th Qtr 1999	4th Qtr 1998	YTD 1999	YTD 1998	4th Qtr 1999	4th Qtr 1998	YTD 1999	YTD 1998	4th Qtr 1999	4th Qtr 1998	YTD 1999	YTD 1998	4th Qtr 1999	4th Qtr 1998	YTD 1999	YTD 1998
Aleutians East Borough																
Akutan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cold Bay	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
King Cove	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sand Point	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aleutians West Census Area																
Atka	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. George	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Paul	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
Unalaska	0	2	15	11	0	2	11	10	0	0	4	0	0	0	0	1
Anchorage, Municipality of																
Anchorage	133	281	1330	1653	95	177	783	1163	25	89	483	437	13	15	64	53
Bethel Census Area																
Aklachak	0	0	5	0	0	0	5	0	0	0	0	0	0	0	0	0
Aniak	0	0	2	0	0	0	2	0	0	0	0	0	0	0	0	0
Bethel	8	0	38	24	8	0	36	24	0	0	0	0	0	0	2	0
Chuathbaluk	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Eek	2	0	3	0	2	0	3	0	0	0	0	0	0	0	0	0
Goodnews Bay	0	0	0	2	0	0	0	0	0	0	0	2	0	0	0	0
Kwethluk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lower Kalskag	0	0	2	0	0	0	2	0	0	0	0	0	0	0	0	0
Napaskiak	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nunapitchuk	3	0	6	0	3	0	6	0	0	0	0	0	0	0	0	0
Platinum	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quinhagak/Toksok	1	1	2	5	1	1	2	5	0	0	0	0	0	0	0	0
Bristol Bay Borough																
Bristol Bay	0	1	5	10	0	1	5	10	0	0	0	0	0	0	0	0
Denali Borough																
Anderson	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
Dillingham Census Area																
Clark's Point	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dillingham	0	0	2	9	0	0	2	9	0	0	0	0	0	0	0	0
Ekwok	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Manokotak	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Togiak	0	0	0	16	0	0	0	16	0	0	0	0	0	0	0	0
Fairbanks North Star Borough																
North Pole	0	1	4	9	0	1	4	5	0	0	0	0	0	0	0	4
Balance of Borough	10	55	195	237	10	29	148	159	0	26	46	78	0	0	1	0
Haines Borough																
Haines City	1	1	14	8	1	1	12	8	0	0	0	0	0	0	2	0
Balance of Borough	0	0	15	11	0	0	15	11	0	0	0	0	0	0	0	0
Juneau Borough																
Juneau	36	38	134	151	34	31	98	123	0	2	33	16	2	5	3	12
Kenai Peninsula Borough																
Homer	3	6	17	23	3	6	17	23	0	0	0	0	0	0	0	0
Kenai	7	3	27	46	7	3	27	46	0	0	0	0	0	0	0	0
Seldovia	0	1	2	2	0	1	2	2	0	0	0	0	0	0	0	0
Seward	1	0	9	9	1	0	5	9	0	0	4	0	0	0	0	0
Soldotna	2	5	29	24	2	5	27	18	0	0	2	6	0	0	0	0
Ketchikan Gateway Borough																
Ketchikan City	0	9	6	18	0	9	6	17	0	0	0	1	0	0	0	0
Balance of Borough	15	0	54	19	8	0	38	19	4	0	13	0	3	0	3	0
Kodiak Island Borough																
Akhiok	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kodiak City	12	20	61	67	12	18	43	58	0	2	16	2	0	0	2	7
Old Harbor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Port Lions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lake & Peninsula Borough																
Newhalen	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nondalton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Port Heiden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Matanuska-Susitna Borough																
Palmer	4	14	28	122	4	14	28	82	0	0	0	40	0	0	0	0
Wasilla	0	13	37	48	0	13	34	45	0	0	3	3	0	0	0	0
Balance of Borough	N/A	N/A	897	868	N/A	N/A	863	857	N/A	N/A	30	11	N/A	N/A	4	0

Note: Since the number of housing units authorized in the balance of MatSu Borough is only reported annually, quarterly tabulation of permit data is not possible.

Source: Alaska Department of Labor, Research and Analysis Building-Permit Survey; Fairbanks Community Research Center; Municipality of Anchorage.

For Places Reporting Data, Comparison with 1998 Permit Data

Table 4-1 cont.

4th Qtr 1999 vs. 4th Qtr 1998 and Year-to-Date

Place	Total New Units				Single-Family				Multi-Family				Mobile Home			
	4th Qtr	4th Qtr	YTD	YTD	4th Qtr	4th Qtr	YTD	YTD	4th Qtr	4th Qtr	YTD	YTD	4th Qtr	4th Qtr	YTD	YTD
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
Nome Census Area																
Diomedede	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Koyuk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nome	0	4	10	12	0	4	9	10	0	0	1	2	0	0	0	0
Savoonga	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shaktotook	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shismaref	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stebbins	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unalakleet	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0
North Slope Borough																
Atkasuk	7	0	7	0	7	0	7	0	0	0	0	0	0	0	0	0
Barrow	2	24	37	65	2	16	35	55	0	8	2	10	0	0	0	0
Kaktovik	8	0	8	0	8	0	8	0	0	0	0	0	0	0	0	0
Nuiqsut	9	0	9	0	9	0	9	0	0	0	0	0	0	0	0	0
Point Hope	6	0	6	0	6	0	6	0	0	0	0	0	0	0	0	0
Wainwright	6	0	6	0	6	0	6	0	0	0	0	0	0	0	0	0
Northwest Arctic Borough																
Ambler	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0
Buckland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deering	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kiana	0	0	0	2	0	0	0	2	0	0	0	0	0	0	0	0
Kivalina	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Kobuk	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Kotzebue	1	0	2	4	1	0	2	4	0	0	0	0	0	0	0	0
Noorvik	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Selawik	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0
Shungnak	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prince of Wales-Outer Ketchikan																
Craig	0	1	3	6	0	1	3	5	0	0	0	0	0	0	0	1
Hydaburg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kasaan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Klawock	2	0	28	0	0	0	26	0	0	0	0	0	2	0	2	0
Thorne Bay	0	0	1	10	0	0	0	10	0	0	0	0	0	0	1	0
Sitka Borough																
City & Borough of Sitka	12	7	40	37	11	6	36	25	0	0	2	4	1	1	2	8
Skagway-Yakutat-Angoon Census Area																
Angoon	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Hoonah	0	0	22	2	0	0	21	1	0	0	0	0	0	0	1	1
Pelican	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Skagway	6	17	13	20	4	3	8	6	2	14	5	14	0	0	0	0
Southeast Fairbanks																
City & Borough of Fairbanks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valdez-Cordova Census Area																
Cordova	0	0	5	1	0	0	5	1	0	0	0	0	0	0	0	0
Valdez	5	0	24	41	4	0	21	15	0	0	0	16	1	0	3	10
Whittier	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wade Hampton Census Area																
Alakanuk	1	3	1	4	1	0	1	1	0	3	0	3	0	0	0	0
Emmonak	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
Hooper Bay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kotlik	21	0	25	0	0	0	4	0	21	0	21	0	0	0	0	0
Pilot Station	12	0	12	0	0	0	0	0	12	0	12	0	0	0	0	0
Russian Mission	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0
Sheldon Point	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Mary's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wrangell-Petersburg Census Area																
Kake	0	2	0	20	0	2	0	20	0	0	0	0	0	0	0	0
Kupreanof	0	1	0	2	0	1	0	2	0	0	0	0	0	0	0	0
Petersburg	2	5	14	24	2	3	14	14	0	2	0	10	0	0	0	0
Port Alexander	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
Wrangell	1	0	3	7	1	0	3	7	0	0	0	0	0	0	0	0
Yakutat Bor.																
City & Borough of Yakutat	0	1	3	7	0	1	3	6	0	0	0	0	0	0	0	0
Yukon-Koyukuk Census Area																
Allakaket	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Anvik	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bettles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fort Yukon	0	5	0	10	0	5	0	10	0	0	0	0	0	0	0	0
Galena	0	0	7	4	0	0	0	4	0	0	7	0	0	0	0	0
Hughes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Huslia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Koyukuk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
McGrath	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
Nenana	0	1	4	1	0	1	4	1	0	0	0	0	0	0	0	0
Nikolai	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nulato	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0
Ruby	0	0	2	0	0	0	2	0	0	0	0	0	0	0	0	0
Shageluk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tanana	0	1	4	3	0	1	4	3	0	0	0	0	0	0	0	0
Total Reported	344	523	3,246	3,682	1,121	1,213	2,472	2,927	86	157	684	655	26	21	90	99

- The number of permits issued in 1999 was the lowest since 1995. However, the level of permitting was still well above the decade's average of 2,640.
- In the first half of the decade, the number of permits increased each year, rising from 1,022 in 1990 to 2,758 in 1994. From 1995 through 1999, an average of 3,384 permits per year was issued.
- In Anchorage, permits for single-family homes fell by almost one-third in 1999, while multi-family permits rose 10.5%. From 1995 through 1999, 36 percent of permits were for multi-family units, compared to only six percent of permits issued from 1991 through 1994. A dwindling supply of residential lots is one factor pushing the shift to multi-family units.
- In the Mat-Su Borough, the number of permits fell seven percent in 1999 with declines in both single- and multi-family units. Activity remained strong, however, with total permits for the year at the third highest level this decade.
- In Juneau, the number of residential units permitted in 1999 hit its lowest level since 1993. Permits have declined steadily since their peak in 1996.
- Following a strong first half—up 40 percent over the year—permit activity in Fairbanks plummeted in the second half of 1999—down 65 percent over the year. In all, 199 housing units were authorized in 1999, the lowest level since 1994.

Nationally, 1.64 million housing units were authorized in 1999, an increase of two percent from 1998. The bulk of these, 1.2 million, were for single-family homes.

Overall, permitting activity is expected to decline through 2000, as single-family activity feels the pinch of decreasing land availability and higher land costs. Areas with lower housing and land costs, such as Fairbanks, may see some minor increases. However, this regional activity may not be strong enough to offset drops in Anchorage, Juneau, and the Mat-Su Valley. Multi-family activity will continue to rise as new affordable-housing projects come on-line.

Permits for New Housing Units by Type

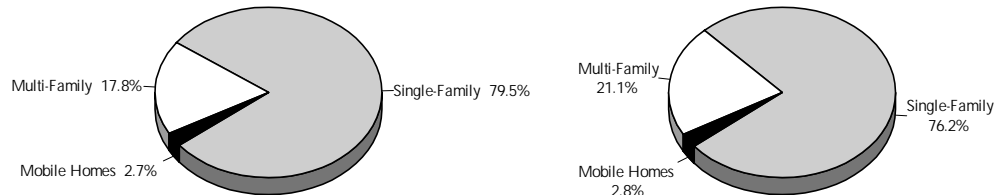
Alaska

1998 vs. 1999

Figure 4-1

Note: Includes some units in areas which do not require permits.

Source: Alaska Department of Labor and Workforce, Development, Research and Analysis Section.



Permits for New Housing Units by Location

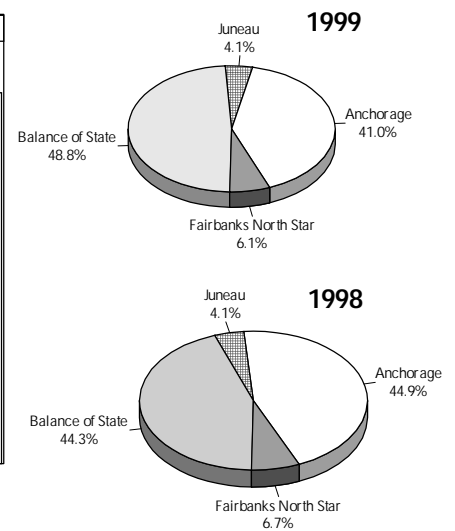
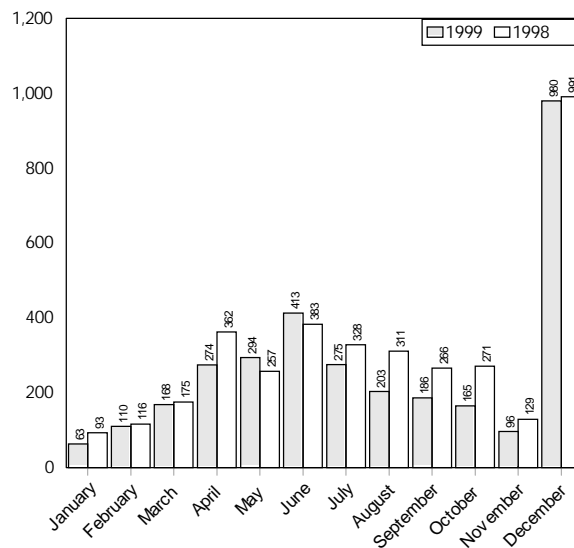
Alaska

1998 vs. 1999

Figure 4-2

Note: Includes mobile homes. The December numbers include all units for the balance of Mat-Su for the year.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section.

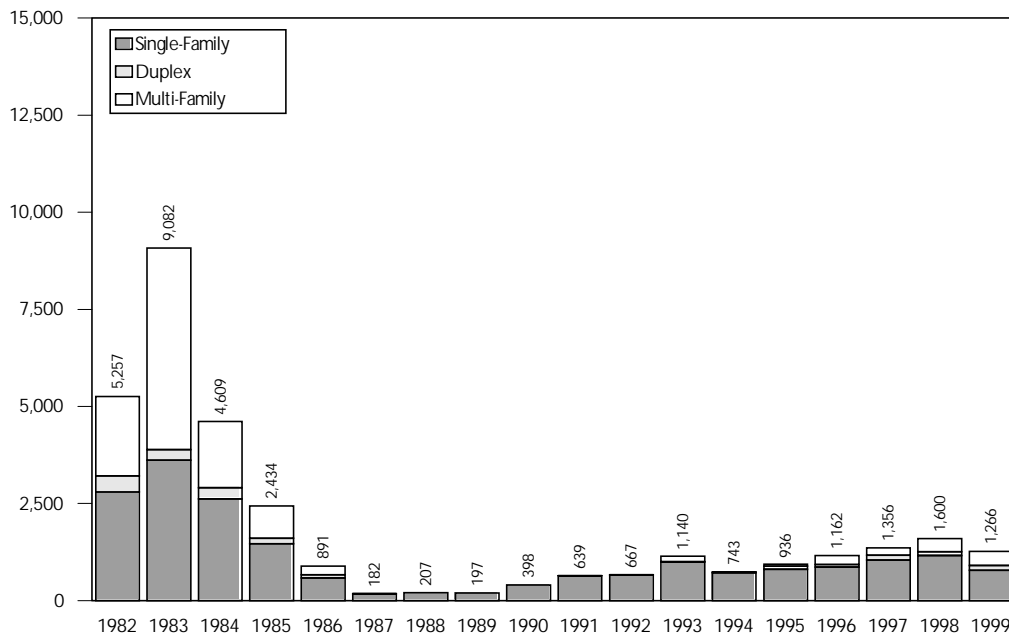


New Housing Units Authorized

Anchorage

January 1982 to December 1999

Figure 4-3

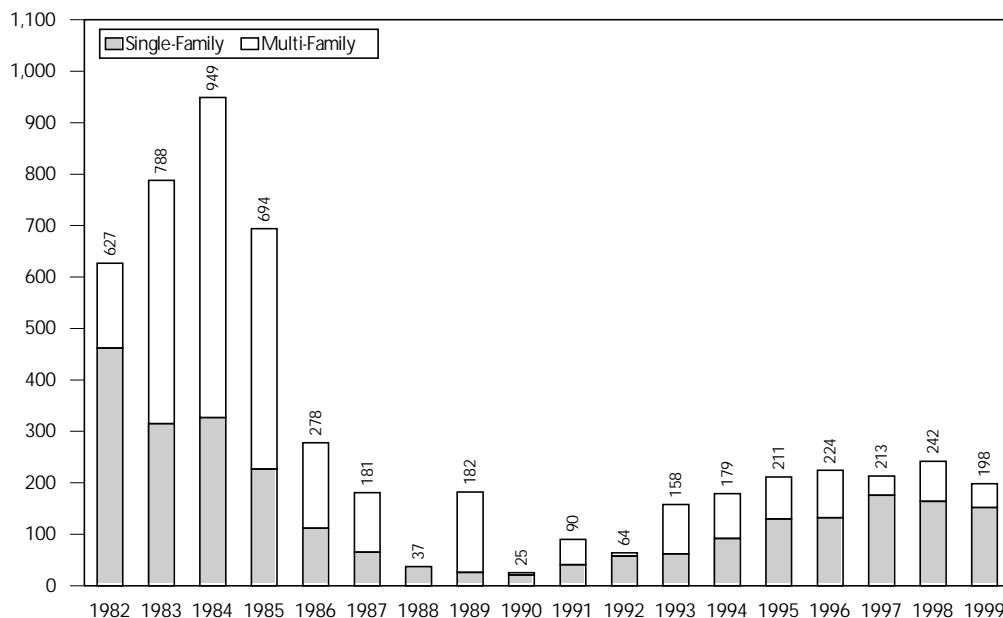


New Housing Units Authorized

Fairbanks North Star Borough

January 1982 to December 1999

Figure 4-4



2000 Annual Construction Cost Survey

Introduction

Anually, building supply companies in the Pacific Northwest are surveyed to determine the cost of a market basket of residential construction materials. The latest survey was conducted January 2000. The results of the survey found that construction costs continue to rise compared to last year, and that regional differences remain in the relative cost of supplying materials to various parts of the state. Much of the cost difference is attributable to transportation costs, which have edged upward in 2000.

Construction Cost Survey Methodology

Figure 6-1, Table 6-1

Pricing data on a “market-basket” of common building materials were collected from construction supply companies in Anchorage, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Sitka, and Wasilla. The survey also included the rural communities of Barrow, Bethel, and Nome. Because many contractors buy directly from outside of Alaska, companies in the Seattle area were also surveyed. Shipping costs to Alaska sites were added to their quotes.

Seventy-eight building-supply vendors were contacted by mail, fax, and telephone. Twenty-nine local building-material suppliers (representing 19 firms) in Alaska and 10 in Washington responded to the survey. The responding Alaska firms represented 96% of the total employment in retail lumber and other building-material and hardware stores in the surveyed areas. Five communities, Barrow, Bethel, Ketchikan, Kodiak, and Sitka, are represented by only one local vendor.

All companies were given an itemized list of building materials with specific quantities and sizes to price. The complete list of materials in the market basket and the quantities used to calculate cost are shown in Table 6-1. The market basket includes selected construction materials, comprising approximately 30 percent of the cost of the model single-family residence. Costs for the three rural arctic areas exclude rebar and concrete, since pilings are used to support the house above the permafrost instead of the usual slab foundation.

Construction techniques, building requirements, and styles vary greatly from region to region. The model house may not represent typical construction in all areas of the state. For example, instead of using wooden shingles, arctic building practices traditionally call for metal roofing. Also, cedar bevel siding is typically replaced in arctic construction by T1-11 panels or vinyl siding. Conditions in other areas may also entail using different quantities as well as materials. Due to these differences, this survey may not reflect the price for a home typical to a specific area.

In the past, the average cost of construction materials has tended to reflect those prices offered by large-scale suppliers rather than the “typical price” a consumer would pay. This year, respondents’ values have been weighted by their estimated market share. Through this adjustment, average values are produced that are more likely to reflect the retail price rather than the supplier price.

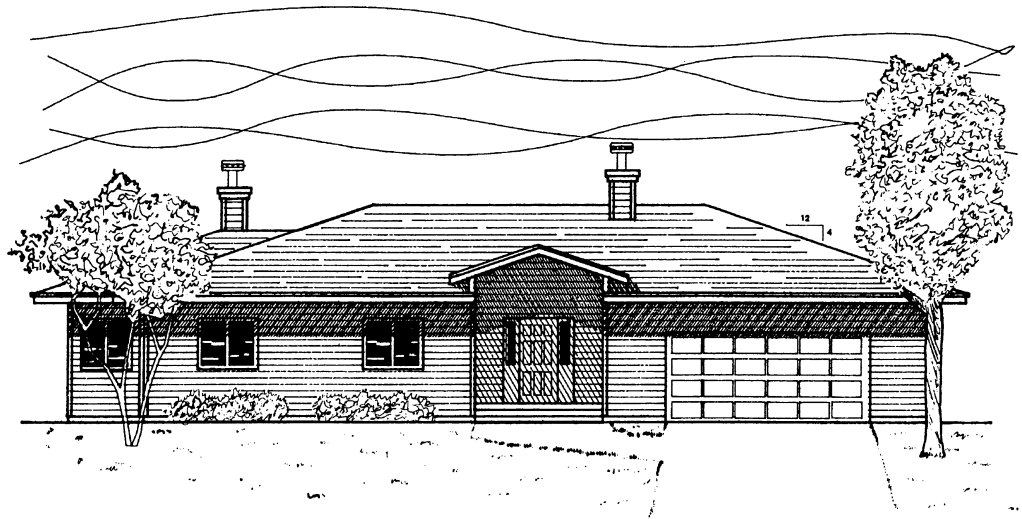
2000 Construction Cost Survey

Model House

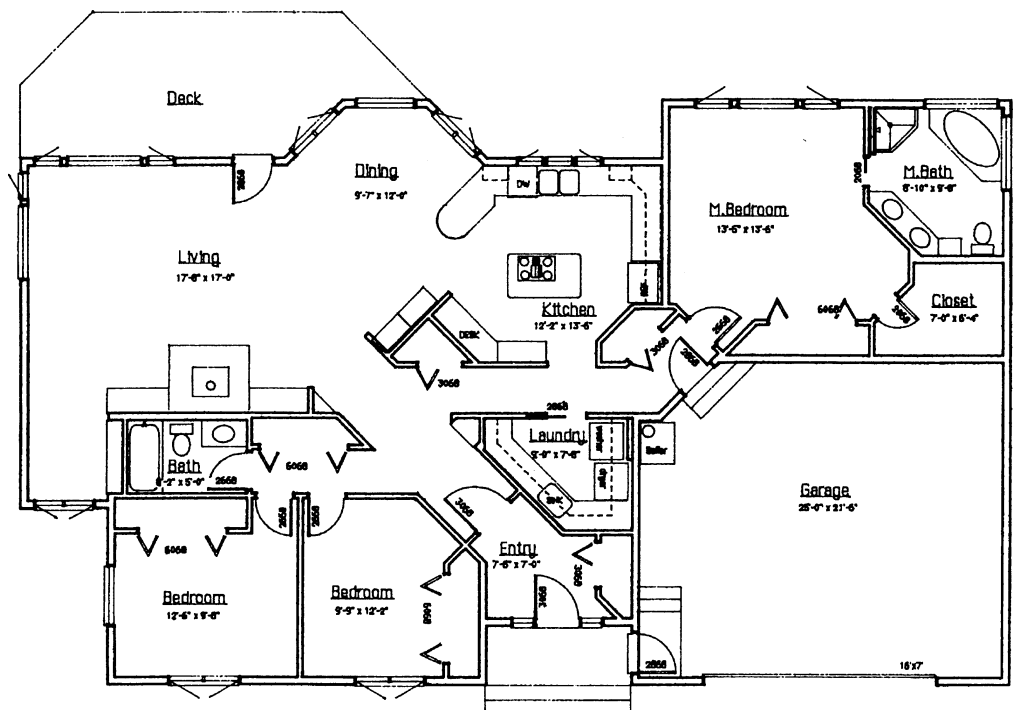
2000

Figure 6-1

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "AHFC Market Basket Construction Cost Survey," 2000



FRONT ELEVATION



Floor Plan
1923 SQ. FT.

Average Price for Construction Materials

Alaska Suppliers

2000

Table 6-1

Market Basket Items	Quantity	Units	Size	Length	Urban					
					Anchorage	Fairbanks	Juneau	Kenai	Ketchikan	Kodiak
BCI 60 Series	768 ft	14"			\$2,237	\$2,134	\$2,007	\$2,496	\$1,763	\$2,319
2-4-1 T&G FF Underlay 4X8	62 pcs	1 1/8			2,609	2,966	2,460	3,087	2,141	3,068
CDX 4X8 44#	74 pcs	1/2"			1,159	1,219	1,149	1,311	999	1,170
CDX 4X8 53#	106 pcs	5/8"			2,098	2,374	1,970	2,563	1,721	2,049
Studs #2 & btr Kiln-dried	164 pcs	2X4"		92 5/8"	411	570	468	467	433	527
Studs # 2 & btr 14# Kiln-dried	263 pcs	2X6"		92 5/8"	953	1,383	1,025	1,191	967	1,185
Cedar Bevel Siding	3548 ft	1X10"			4,887	4,348	3,860	5,929	3,520	3,195
4X12 Plain Sheetrock 84#	95 pcs	1/2"			1,100	1,268	1,289	1,357	1,311	826
4X12 Type X Sheetrock 109#	68 pcs	5/8"			910	1,079	995	1,132	1,068	736
3 Tab Shingles Brown	102 bundles				1,299	1,481	1,208	1,465	1,094	1,886
Fiberglass Bat Insulation (2,560 sqft)	27 bags	R-38X24	96 sqft		1,894	2,418	1,917	1,791	2,515	2,191
Fiberglass Bat Insulation (2,034 sqft)	35 bags	R-21X15	58 sqft		1,099	1,243	1,270	1,398	955	1,294
NMB Electric Wire	3 boxes		250'		79	120	88	118	91	135
Single Breaker	15 pcs	15 Amp			88	114	59	73	98	144
Copper Pipe Type 'M'	150 ft	3/4"			110	141	117	134	149	176
ABS Pipe	100 ft	3"			108	132	117	127	99	164
Total (Without Concrete & Rebar)					\$21,042	\$22,990	\$20,001	\$24,637	\$18,922	\$21,064
Concrete	30 yds				2,598	2,790	2,911	2,972	\$3,645	4,680
# 4 Rebar	93 pcs	1/2"		20'	511	618	321	376	394	418
Total (With Concrete & Rebar)					\$24,151	\$26,398	\$23,232	\$27,985	\$22,961	\$26,162

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "AHFC Market Basket Construction Cost Survey" 2000.

Market Basket Items	Quantity	Units	Size	Length	Urban		Rural		
					Sitka	Wasilla	Barrow*	Bethel*	Nome*
BCI 60 Series	768 ft	14"			\$2,368	\$2,044	\$3,000	\$1,730	\$1,700
2-4-1 I&G FF Underlay 4X8	62 pcs	1 1/8			2,591	2,603	4,715	3,023	3,784
CLDX 4X8 44#	74 pcs	1/2"			1,114	1,067	2,504	1,523	1,839
CLDX 4X8 53#	106 pcs	5/8"			2,114	1,976	4,359	2,631	3,356
Studs #2 & btr Kiln-dried	164 pcs	2X4"		92 5/8"	434	425	958	612	877
Studs # 2 & btr 14# Kiln-dried	263 pcs	2X6"		92 5/8"	1,039	1,050	2,696	1,701	2,163
Cedar Bevel Siding	3548 ft	1X10"			2,865	4,757	4,700	4,373	7,983
4X12 Plain Sheetrock 84#	95 pcs	1/2"			1,321	1,145	2,992	2,752	2,447
4X12 Type X Sheetrock 109#	68 pcs	5/8"			1,074	932	4,760	1,969	2,225
3 Tab Shingles Brown	102 bundles				1,129	1,164	2,000	1,252	2,221
Fiberglass Bat Insulation (2,560 sqft)	27 bags	R-38X24	96 sqft		1,975	1,889	3,480	2,441	2,751
Fiberglass Bat Insulation (2,034 sqft)	35 bags	R-21X15	58 sqft		1,265	1,120	2,194	1,179	1,736
NMB Electric Wire	3 boxes		250'		85	90	243	108	150
Single Breaker	15 pcs	15 Amp			78	104	74	57	81
Copper Pipe Type 'M'	150 ft	3/4"			147	135	290	149	282
ABS Pipe	100 ft	3"			32	121	338	152	223
Total (Without Concrete & Rebar)					\$19,633	\$20,623	\$39,303	\$25,653	\$33,819
Concrete	30 yds				4,110	2,703			
# 4 Rebar	93 pcs	1/2"		20'	529	476			
Total (With Concrete & Rebar)					\$24,272	\$23,802			

* Rural Areas Exclude Concrete & Rebar

Average Price for Doors & Windows

Alaska Suppliers

2000

Table 6-2

Market Basket Items	Quantity	Size	Anchorage	Fairbanks	Juneau	Kenai	Ketchikan	Kodiak	Sitka
R7 Metal Insulated Doors with 6" Jamb	2 pcs	3'	\$374	\$427	\$483	\$393	\$450	\$449	\$250
Low E Argon Windows with R > 2.8 Vinyl Casements	3 pcs	2.6' x 3'	492	745	605	548	592	606	622
Low E Argon Windows with R > 2.8 Vinyl Casements, 5.7 E-Gress	6 pcs	2.6' x 4'	1,229	1,780	1,330	1,300	1,274	1,378	1,363
Low E Argon Windows with R > 2.8 Vinyl Casements, 5.7 E-Gress	2 pcs	8.0' x 4'	1,059	1,509	1,249	927	1,250	1,378	1,271
Total Cost of Windows & Doors			\$3,153	\$4,461	\$3,668	\$3,169	\$3,566	\$3,810	\$3,506

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "AHFC Market Basket Construction Cost Survey" 2000.

Market Basket Items	Quantity	Size	Sitka	Wasilla	Barrow	Bethel	Nome
R7 Metal Insulated Doors with 6" Jamb	2 pcs	3'	\$250	\$412	\$550	\$456	\$821
Low E Argon Windows with R > 2.8 Vinyl Casements	3 pcs	2.6' x 3'	622	554	1,000	649	1,006
Low E Argon Windows with R > 2.8 Vinyl Casements, 5.7 E-Gress	6 pcs	2.6' x 4'	1,363	1,245	2,000	1,486	2,106
Low E Argon Windows with R > 2.8 Vinyl Casements, 5.7 E-Gress	2 pcs	8.0' x 4'	1,271	1,058	1,600	1,035	1,490
Total Cost of Windows & Doors			\$3,506	\$3,270	\$5,150	\$3,626	\$5,424

Major Findings

Table 6-1, Figure 6-2

T

he 2000 Construction Cost Survey found that:

- Building materials cost more in rural than urban areas and more in northern Alaska than in southeast Alaska. Transportation costs accounted for much of the difference.
- The average cost of the market basket (excluding concrete and rebar) ranged from a low of \$18,922 in Ketchikan to a high of \$39,303 in Barrow.
- The market basket averaged \$21,042 in Anchorage and \$22,990 in Fairbanks.
- The cost of building materials appears to be rising faster than the overall inflation rate. Anchorage suppliers reported prices in that city up 7.3% from the survey conducted in March of 1999. The Anchorage consumer price index, a common measure of price changes, increased only 1% in 1999, the lowest rate of inflation in 11 years.
- Compared to suppliers in Washington, Alaska suppliers quoted lower prices for building materials in their communities (excluding concrete and rebar, and including average shipping estimates from Seattle) for all areas except Barrow, Kenai, and Nome.

Alaska Suppliers

Table 6-1, Figures 6-2, 6-3

T

o compare the cost of building materials (excluding concrete and rebar) throughout the state, the market basket cost for Anchorage was established as a baseline of 100. Prices in the four areas of Juneau, Ketchikan, Sitka, and Wasilla were lower. Costs in Kodiak were not significantly higher than in Anchorage. Fairbanks and Kenai, the most expensive urban areas, had index values of 109 and 117, respectively. In the rural areas, shipping costs were a major factor in prices. Barrow at 187 and Nome at 161 showed the highest comparative index values. Bethel, at 122, had significantly higher costs than any of the urban areas. The overall percentage increase across the survey areas appears to be aligned with the construction industry's strong 3% growth rate in 1999. While the number of new housing permits fell last year to 1,284, it was still the third strongest showing in the last decade.

Cost of Doors and Windows from Alaska Suppliers

Table 6-2

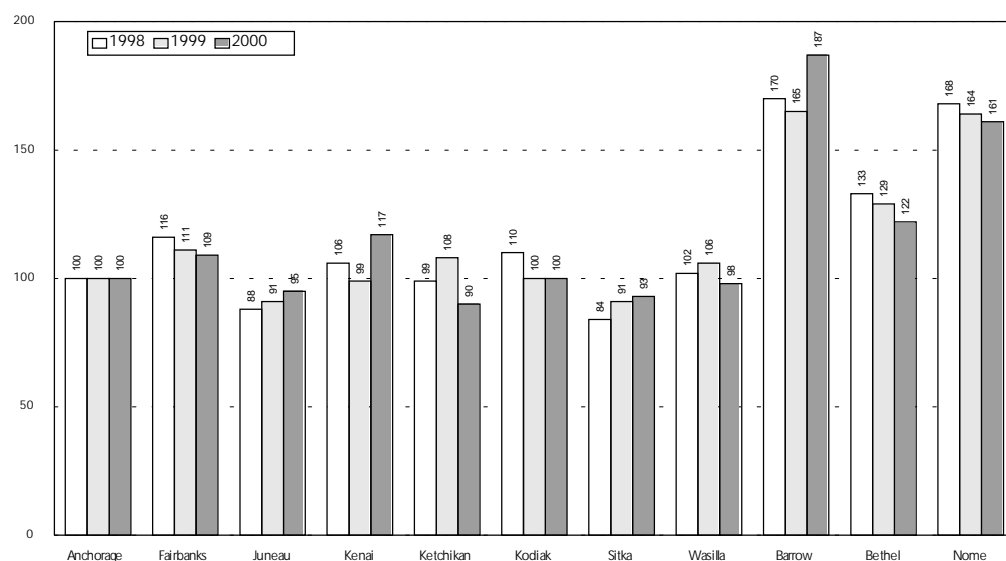
The variation in prices for doors and windows was consistent with that of the total market basket, with the highest prices in the northern-region communities and the lowest in the southern regions. The most expensive region was, once again, Nome (\$5,424), and the least expensive, Anchorage (\$3,153).

Cost of Market Basket Index

Comparison Index, with Anchorage as a Baseline (Alaska Suppliers)

1998, 1999, & 2000

Figure 6-2



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "AHFC Market Basket Construction Cost Survey" 2000.

Transportation Costs

Table 6-3, 6-4, & 6-5

Transportation costs from Seattle added to the total Washington market basket for comparison to Alaska pricing. The transportation costs used in the market baskets included trucking, transfer, banding, wrapping, and delivery expenses from the point of origin to the various destinations. Generally, individual carriers reported traditional rate increases of roughly two to three percent over 1999, while also passing on fuel surcharges to the customers. Rate increases that took effect after the beginning of April were not included. Also, barging costs for Barrow could not be accurately determined for the annual one-time September delivery, since the negotiated rates, dependent upon total actual weight of materials for the local supplier, had not been finalized.

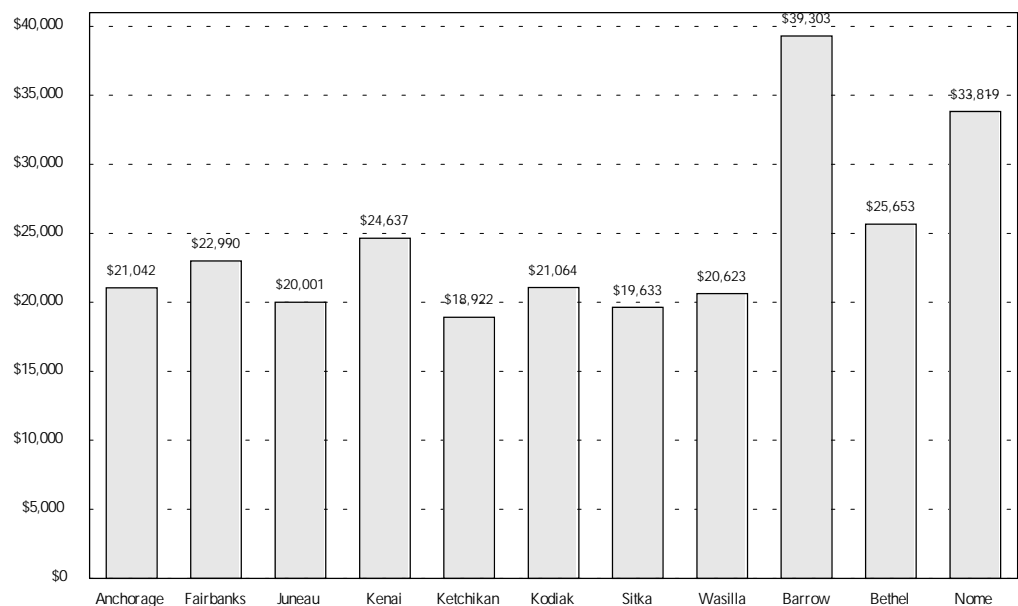
Compared to the Anchorage baseline, transportation costs to the rural areas were proportionally much higher than materials costs. For instance, transportation costs from Washington to Barrow were 225 percent higher than to Anchorage. However, building materials in Barrow cost only 87 percent more than in Anchorage. Barrow's transportation differential was higher than last year's. Of the urban areas, Kodiak had the highest differential in transportation costs, 34 percent higher than Anchorage.

Average Cost of Market Basket Alaska Suppliers (Without Concrete and Rebar)

Figure 6-3

2000

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "AHFC Market Basket Construction Cost Survey" 2000.



Average Price for Construction Materials

Oregon & Washington Suppliers (Without Concrete)

2000

Table 6-3

Market Basket Items	Quantity	Units	Size	Length	Seattle Area
BCI 60 Series	768	ft	14"		\$1,924
2-4-1 T&G FF Underlay 4X8	62	pcs	1/1/08		2,205
CDX 4X8 44#	74	pcs	1/2"		907
CDX 4X8 53#	106	pcs	5/8"		1,680
Studs #2 & btr Kiln-dried	164	pcs	2X4"	92 5/8"	392
Studs #2 & btr 14# Kiln-dried	263	pcs	2X6"	92 5/8"	1,001
Cedar Bevel Siding	3548	ft	1X10"		3,863
4X12 Plain Sheetrock 84#	95	pcs	1/2"		910
4X12 Type X Sheetrock 109#	68	pcs	5/8"		685
3 Tab Shingles Brown	102	bundles			815
Fiberglass Bat Insulation (2,560 sq ft)	27	bags	R-38X24	96 sq ft	1,977
Fiberglass Bat Insulation (2,034 sq ft)	35	bags	R-21X15	58 sq ft	1,045
NMB Electric Wire	3	boxes		250'	58
Single Breaker	15	pcs	15 Amp		65
Copper Pipe Type 'M'	150	ft	3/4"		93
ABS Pipe	100	ft	3"		65
Without Rebar					\$17,684
# 4 Rebar	93	pcs	1/2"	20'	310
With Rebar					\$17,994

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "AHFC Market Basket Construction Cost Survey" 2000.

Transportation Cost of Market Basket

Shipping & Handling (Without Concrete and Rebar)

2000

Table 6-4

Destination	Seattle
Ketchikan	\$1,862
Juneau	3,005
Sitka	3,753
Kodiak	5,978
Anchorage	4,466
Wasilla	4,468
Fairbanks	5,694
Kenai	5,403
Bethel	10,012
Nome	12,556
Barrow	14,526

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, "AHFC Market Basket Construction Cost Survey" 2000.

Comparing Alaska with Pacific Northwest Suppliers

Table 6-3, & 6-4

In the surveyed areas, the difference in building-material costs (excluding concrete and rebar, and including the weighted-average shipping estimate from Washington) between suppliers in Washington and those in Alaska averaged 7.8 percent. Only Barrow (-18.0%), Nome (-10.6%), and Kenai (-6.3%) showed out-of-state lower than in-state quotes. The largest positive differentials were Kodiak (12.3%), Sitka (9.2%), Bethel (8.0%), and Wasilla (7.4%).